



**ACCOUNTING AND FINANCIAL, INFORMATION AND LANGUAGE AND
COMMUNICATION SUPPORT FOR THE SUSTAINABLE DEVELOPMENT
OF THE AGRICULTURAL SECTOR: SCIENTIFIC, METHODOLOGICAL
AND PRACTICAL PRINCIPLES**

COLLECTIVE MONOGRAPH

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The monograph examines the scientific problems of accounting and taxation development, analysis of production and economic activity, mechanisms for ensuring the economic security of agribusiness entities. The theoretical, organizational and methodical foundations of modern learning technologies in higher educational institutions and professionally oriented language training of specialists in the agricultural sector are revealed.

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SECTION 3. FINANCIAL POLICY AND MECHANISM OF ITS IMPLEMENTATION IN THE SYSTEM OF ENSURING SUSTAINABLE DEVELOPMENT OF AGRIBUSINESS ENTITIES

3.1. ANALYSIS OF THE DEVELOPMENT OF BANK LENDING OF AGRICULTURAL ENTERPRISES

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Summary. At the beginning of the 90s of the 20th century, the agricultural economy of Ukraine entered a protracted and deep systemic crisis, the consequences of which have not been overcome until now. A number of issues related to the development of credit relations between banks and agricultural enterprises still remain unresolved. Most agricultural enterprises lack the knowledge and experience necessary for cooperation with commercial banks. Credit risks remain too high.

There are shortcomings in the work of commercial banks, especially in relation to assessing the creditworthiness of agricultural enterprises taking into account their specifics and determining the limits of long-, medium- and short-term crediting of these enterprises.

In addition to the specified microeconomic reasons, there are also macroeconomic factors that negatively affect the development of credit relations. The analysis proved the need for a comprehensive approach to overcoming the negative impact of micro- and macroeconomic factors that restrain the development of credit relations between banks and agricultural enterprises. Reasonable assessment of the agricultural enterprise's need for credit resources is important.

It is advisable to determine the need for long- and medium-term loans in the process of selecting investment projects of the enterprise and determining the sources of their financing. The need for short-term loans is most accurately determined when drawing up a monthly balance sheet of the company's income and expenses for the current year (planning the company's need for short-term loans for an intra-year shortage of funds).

Keywords: credit relations, bank lending, agricultural enterprise, financial support

Ukrainian scientists closely associate the concepts of "credit" and "credit relations", but do not provide a clear definition of such relations.

Azarenkova G. and Aranchiy V. [1,3] note on this occasion: "credit (from Latin *credium* - loan, debt). Credit relations do not arise in the production process, they only mediate this process. The peculiarity of the loan agreement is that, whatever its initial conditions, the final stage is always carried out in monetary form.

The reasons for the emergence and functioning of credit relations are the need to ensure the continuity of the reproduction process."

Aleksiychuk V. and Isayan A. [2, 9] claim that "credit, as one of the forms of use of financial capital, arose at a certain stage of economic relations and went through several stages in its development. It arose in the conditions of commodity production and therefore had a market character from the very beginning. A number of changes took place in the development of credit relations, because they existed in different historical forms."

S. M. Kolotukha [15,16] writes about credit and credit relations as follows: "In market economic conditions, the main form of credit is bank credit, that is, credit provided by commercial banks of various types and types. Subjects of credit relations in the field of bank credit are state organs, the population, the state and the banks themselves. As you know, in a credit agreement, the subjects of credit relations always act as lenders and borrowers."

SI. Kruchok [18] connects the concepts of "credit" and "credit relations" as follows: "Credit... is an economic relationship regarding the redistribution of temporarily free funds or property on the terms of return, urgency and payment. Credit relations manifest themselves as an agreement between economic partners, which provides for the provision of money or property by one person to another for temporary use or disposal and use under the specified conditions (return, urgency and payment). In other words, credit relations are relations of buying and selling the right of temporary use or disposal and use of money or property. The owner of money (property), who acts as a creditor, sells the right of temporary use or disposal and use of money or property to another person - the borrower, for an appropriate fee."

Summarizing what has been said, we note:

- subjects of credit relations are the creditor and the borrower;
- the object of credit relations is the right to use (or dispose of and use) money or property;
- credit relations manifest themselves as an agreement between partners and are relations of purchase and sale of the above-mentioned right;

But, as noted above, the question remains open as to whether the concepts of "credit" and "credit relations" are the same, or, after all, these concepts are close but different from each other. It is known that the criterion of truth is practice. It is practice that shows that credit relations arise before the appearance of credit.

So, for example, credit relations between an enterprise and a bank arise from the moment of submitting a credit application. The bank's consideration of such an application, its assessment of the creditworthiness of a potential borrower, including the assessment of future credit security, negotiations on credit terms, conclusion of a credit agreement and a pledge agreement, etc. - all these are credit relations that actually arise and exist even before the appearance of the loan (their reality is among other things, also in the fact that they require certain expenditure of time and money both on the part of the potential borrower and on the part of the potential creditor). Undoubtedly, credit relations should include the provision of credit, its use and return, as well as credit monitoring.

Thus, the concept of credit relations is broader than a loan, as it also includes relations that precede the loan, as well as its support.

Therefore, credit relations are relations between a borrower and a creditor (including potential ones) related to the provision, use and repayment of credit. But such relations are not limited only to granting, using and returning credit (because they include a whole range of relations that precede the granting of credit, as well as credit monitoring).

It is appropriate to distinguish the following stages of credit relations:

- the stage that precedes the granting of a loan;
- providing a loan;
- use of credit;
- loan repayment.

The second and third stages, as well as the third and fourth, may overlap in time if the loan is granted or repaid in installments. At all stages, except for the first, credit monitoring continues both on the part of the borrower and on the part of the creditor.

So, both credit and credit relations are a set of economic relations that are closely related and mutually determined, but not identical.

Credit relations in the agro-industrial complex are based on the same principles as in other sectors of the economy. At the same time, they have significant features.

The seasonal nature of agro-industrial production and the long period of production in the agro-industrial complex cause a significant need for short-term loans.

Modern agricultural technologies involve the use of machines, most of which have a high price, which is one of the important reasons for the increased need for long-term loans.

Natural factors determine the low turnover of current assets, which, in combination with the increased need for loans, leads to the need to apply a reduced loan fee in the agricultural sector.

The significant need of agricultural enterprises for long-term loans determines the need to use real estate as collateral, in particular land plots it requires the development of mortgage relations.

In connection with the spread of peasant and farm households in Ukraine, the need for mini- and microcredit is growing.

The development of the agricultural financial and credit system is closely related to microcredit.

Micro-lending is the provision of small loans to legal entities and individuals to finance business activities or consumption.

Reforming the agrarian sector of the Ukrainian economy leads, in particular, to the fact that, along with large agrarian formations, there are numerous small agricultural producers who have the status of both legal entities and individuals. In addition, reforming agriculture will lead to a reduction in employment in this field, which determines the need to create additional jobs in the countryside in trade, service, crafts, etc.

The normal functioning of small peasant farms, the creation of new jobs in the countryside outside the sphere of agricultural production require the development of microcredit.

Microcrediting is based on the general principles of lending, but at the same time, it has specific characteristics inherent only to it, due to the small size of the loan, and therefore the lending technologies used by banks when granting medium and large loans are not always acceptable for microcrediting. In this regard, commercial banks, both universal and specialized (for example, mortgage banks), engage in microcredit very reluctantly or do not engage at all. World practice has shown that microcredit is provided primarily through specialized credit institutions: credit unions and cooperative banks.

The historical experience of Ukraine in the last third of the 19th and early 20th centuries showed that microcredit developed along with other types (in particular, mortgage lending) thanks to such institutions.

Significant gains in the field of microcredit, which Ukraine had at the beginning of the 20th century, have been completely lost. Microcredit in rural areas is in its infancy. Its underdevelopment is explained by the lack of necessary factors - economic, legal and institutional.

Economic factor. The savings of the vast majority of the Ukrainian population, especially the population living in rural areas, are very small, which does not contribute to the rapid development of microcredit in the countryside through credit cooperatives.

Legal factor. Legal regulation of microcredit is ensured by laws regulating credit and cooperative activities. Despite the fact that the legal support for the mentioned types of activities has improved, it still needs to be finalized. A significant obstacle to the development of cooperative banks is the provision of the Law of Ukraine "On Banks and Banking Activity" [12], which defines the minimum amount of authorized capital required to obtain a license to conduct banking activities.

Institutional factor. As a result of the negative impact of the above-mentioned factors, in modern Ukraine there is no developed network of specialized credit institutions that provide microcredits (the only exception is city pawnshops, which provide private individuals with microcredits of a mainly consumer nature against the collateral of jewelry, but this type of microcrediting is not the subject of this study).

There are very few credit unions in Ukraine, until now there is not a single cooperative bank in the country. Overcoming the negative effect of the mentioned factors requires:

- financial support of the program for the development of the microcredit system in the countryside from the Ukrainian state and international financial and credit organizations;

- reduction (possibly during the first 10 years of operation) of the minimum authorized capital of cooperative banks to 5 million hryvnias with the introduction of a corresponding amendment to the current Law of Ukraine "On Banks and Banking Activity";

- promoting the development of a wide network of specialized credit institutions that will provide microcredit in the countryside.

The system of specialized credit institutions should be created according to the "bottom-up" principle at different levels of local, regional and, possibly, national.

At the local level (a settlement, an administrative district in rural areas) credit cooperatives must be created, their creation can only be voluntary, and therefore this process will be uneven in different regions. In regions where credit cooperatives will achieve significant development (it can be the territory of an oblast or several oblasts), it is advisable to create a regional cooperative bank with the participation of credit cooperatives.

A similar system was created in Ukraine at the beginning of the 20th century, when credit and savings and loan societies were united in associations - prototypes of cooperative banks.

The urgent need of agricultural enterprises for medium and long-term loans requires the development of mortgages, that is, securing such loans with the pledge of land plots and other real estate belonging to agricultural enterprises.

The essence of mortgage relations in the agricultural sector of the economy is the same as in other sectors. At the same time, mortgage relations in agriculture have their own specific features. First of all, mortgages of agricultural land plots should be attributed to them. According to the legislation in force in Ukraine, the subject of a pledge can be land plots (including agricultural plots) that are privately owned.

The limited opportunities for the development of mortgages in the agricultural economy of Ukraine are due to the peculiarities of the national legislation and other reasons, in particular, the currently low price of agricultural land.

However, this does not mean that the mortgage of agricultural land plots in Ukraine is unpromising. On the contrary, the circumstances that have developed in the agrarian sector of the economy of Ukraine require the active participation of all interested parties, especially the state, in working out the mechanisms of mortgages of agricultural plots of land.

In the future, the mortgage of land plots can become an important direction of attracting investments in the agriculture of Ukraine.

Credit relations, as already mentioned, are relations between lenders and borrowers related to the provision, use and return of credit.

This definition applies to any lenders and borrowers, including banks and agrarian enterprises-borrowers.

Normal development of credit relations is possible if the necessary prerequisites are present. Such prerequisites are diverse, and therefore it is advisable to classify them according to the relevant characteristics, namely:

- by nature - economic, legal and institutional;
- according to the characteristics of participants in credit relations - prerequisites created by: direct participants (borrowers and creditors); and indirect participants (the state, insurance companies, stock exchanges, etc.);
- by level - microeconomic and macroeconomic.

The economic prerequisites for credit relations between banks and enterprises are of a historical nature and appeared at a certain level of development of commodity-monetary relations.

Credit relations, as an integral component of commodity-money relations, arose and developed under the slave and feudal system in the form of usury. The role of usurious capital decreased with the development of industry, and the importance of bank capital, which completely supplanted usury in the most developed countries, grew accordingly.

In Western and Central Europe already in the 18th century, permanent relations between the owners of large landholdings and banks were formed; at that time, their relationship was mainly limited to the so-called land loan secured by the pledge of land plots.

In the territory of modern Ukraine, in the last third of the 19th century, the rapid development of agrarian mortgage took place. The most powerful land banks operated here - Kharkiv, Poltava, Kyiv.

Specific economic prerequisites for the development of credit relations between modern banks and agricultural enterprises arise when the former have sufficient credit resources, and the latter have a need for loans and the ability to repay them.

In Ukraine, the credit resources of commercial banks are still limited, despite the significant increase in their number in recent years. This applies primarily to medium and long-term resources.

The creditworthiness of a large part of agricultural enterprises is insufficient. Most of them are unable to provide medium and long-term obligations.

Despite the significant steps taken in recent years regarding the creation of the regulatory and legal framework necessary for the development of credit relations, a number of issues related to these relations still do not have an adequate legal settlement. These questions should include:

- unsatisfactory legal settlement of bankruptcy procedures of insolvent debtors and foreclosure of assets pledged by them, including extrajudicial;
- lack of legal settlement of issues related to state registration of land plots and other immovable property and rights to it, in particular, debt burdens;
- insufficient legal support for the activities of mortgage institutions and the issuance of mortgage refinancing instruments, etc.

The institutional prerequisites are that, in addition to the direct participants in credit relations (in this case, banks and their borrowers - agricultural enterprises), to ensure the normal state and development of these relations, such institutions as registration authorities, appraisal firms, notary offices, insurance companies, stock exchanges are necessary, courts, etc.

Registration bodies must ensure the maintenance of the register of debtors of Ukraine, as well as the register of real estate and rights to it.

The presence of a single register of debtors will contribute to a significant reduction of credit risks of commercial banks, provided that this register is complete and up-to-date.

The unified state register of real estate and rights to it for the implementation of civil-law agreements with real estate, in particular in the process of mortgage lending.

Appraisal firms (independent appraisers) carry out a monetary assessment of assets (real estate, etc.) at the request of an interested party, including for the purpose of securing loans.

Notaries certify credit agreements and other documents without which credit relations are impossible.

Insurance companies insure property, including collateral, and financial risks, in particular credit risks, which greatly contributes to the development of credit relations.

Stock exchanges facilitate the refinancing of banks by issuing them debt instruments, in particular mortgage ones.

Courts resolve disputes that arise between parties to credit relations.

In modern Ukraine, the institutional prerequisites for credit relations are only partially available. A unified state cadastral and registration system has not yet been created, there are practically no insurance companies that would insure the harvest and property of agricultural enterprises or provide loans to them, the stock and real estate markets are underdeveloped, the courts are overburdened and the consideration of cases related to violations in this area is carried out by them too slow.

A separate issue that has been actively debated in Ukraine for many years is the creation of a specialized agricultural bank. After the bankruptcy of AKB "Ukraine", the discussion on this issue revived.

On this occasion, we consider it expedient to note the following. The specialization of credit institutions, in particular banks, limits the scope of their activity and thus contributes to the improvement of bank management in this particular field (agrarian banks know better the specifics of agricultural enterprises and the peculiarities of their lending). On the one hand, this reduces credit risks, and on the other hand, it increases them (diversification of risks becomes impossible).

In today's conditions, the risk of massive non-return of loans by agricultural enterprises is very significant, for example, in connection with adverse climatic conditions (insurance for such risks is practically absent, and state support for agricultural enterprises is insufficient). This circumstance may lead to the loss of liquidity of a specialized bank. A significant reduction of the mentioned risk in the coming years seems to be problematic, as it requires an appropriate level of development of the country's economy as a whole and its agricultural sector in particular.

Universal banks can diversify their risks, but are unable to properly take into account the specifics of agricultural enterprises. This shortcoming can be eliminated by standardizing the lending activities of banks in relation to agricultural enterprises (that is, applying such procedures that allow minimizing credit risks based on the assessment of borrowers, loans and their security, etc.). In addition, the costs of servicing standardized loans are much lower compared to unique loans.

Foreign experience shows that the success of specialized agrarian banks depends on the level of development of the agrarian sector of the economy and the effectiveness of state regulation of monetary and credit relations in this sector. Since these positions in Ukraine wish for the best, commercial banks in our country do not yet seek to transform into agrarian banks.

As mentioned above, the prerequisites for the development of credit relations can be classified depending on who creates these prerequisites.

Prerequisites created by agricultural enterprises. In general, these prerequisites can be defined as "creditworthy demand for bank loans" on the part of enterprises, i.e. they boil down to:

- needs of enterprises in bank loans;
- the ability of enterprises to fulfill their credit obligations.

Enterprises' need for bank loans is one of the few prerequisites that can be considered sufficient. The lack of working capital, the need to actually re-create the material and technical base cause the urgent need of agricultural enterprises for short-medium- and long-term loans. As is known, a completely different situation has arisen regarding the ability of agricultural enterprises to fulfill their credit obligations. The unsatisfactory financial condition of most agricultural enterprises, the lack of sufficient and liquid provision of loans does not allow them to satisfy such a need. It should be noted that the financial condition of enterprises depends not only on their activities. A significant part of the factors that determine this state are outside the sphere of influence of enterprises (first of all, what has been said concerns the provision of price parity between sectors of the economy, conditions of taxation, insurance, lending, etc.).

At the same time, agricultural enterprises do not fully use the opportunities to improve their financial condition, as evidenced by the results of the best farms.

Prerequisites created by banks. In addition to the availability of credit resources, which has already been mentioned, such prerequisites include a high level of management of the credit activity of banks, primarily assessing the creditworthiness of borrowers and the feasibility of lending to business projects and credit support; Banks' choice of lending methods is also important.

Prerequisites created by mediated participants in credit relations. Such participants are the state and the structures identified when considering the institutional prerequisites.

The role of the state in creating the prerequisites for credit relations is extremely important and consists primarily of:

- creation of a regulatory and legal framework for these relations;
- ensuring price parity between sectors of the economy by regulating prices using market methods;
- optimization of tax-budgetary relations between the state and agricultural enterprises and banks (taxation, state financing of agricultural programs, etc.);
- creation of favorable conditions for insurance activity in the agricultural sector;
- partial compensation of credit and insurance rates for agricultural enterprises.

None of the listed prerequisites is fully ensured in Ukraine.

All prerequisites of credit relations, which are created by borrowers and creditors, as well as indirect participants of these relations, except for the state, are microeconomic.

Macroeconomic prerequisites include such as the stability of the national currency, general economic growth, the degree of integration of the national economy into the world economy, the investment rating of the country, as well as those listed above in determining the role of the state.

Microeconomic measures that must be taken by agricultural enterprises include:

- identification of untapped opportunities to improve the financial situation and methods of their use;
- reasoned justification of the need for bank loans and the terms of their repayment;
- increasing the level of preparation of credit applications and accompanying documents.

These measures are implemented in the process of optimizing the activities of agricultural enterprises. These issues are considered in detail in the second chapter of the dissertation.

Measures to be taken by banks include:

- expansion of the resource base of credit operations;
- increasing the reliability of assessing the financial condition of agrarian enterprises-borrowers;
- determination of the feasibility of crediting proposed business projects using modern methods and methods of their evaluation;
- improving the analysis of the sufficiency and liquidity of collateral for invited loans with the participation, if necessary, of independent appraisers.

Measures related to the improvement of banks' assessment of the financial condition of enterprises and the feasibility of crediting business projects proposed by these enterprises are particularly relevant. These issues are considered in detail in the third chapter of the dissertation.

The measures that must be taken by the mediated participants in credit relations are mainly macroeconomic in nature and relate to the creation of economic, legal and institutional prerequisites.

Among the measures that will ensure the creation of the necessary economic prerequisites for the development of credit relations, the following are of primary importance:

- maintaining the stability of the national currency;
- ensuring the general growth of the Ukrainian economy;
- ensuring price parity between agricultural products and industrial means of agricultural production.

The measures aimed at creating the necessary legal prerequisites should include, first of all, the development and adoption of the relevant package of Laws of Ukraine.

Measures of an institutional nature are as follows:

- creation of a unified state registration system that will provide reliable information about real estate and rights to it;
- promotion of the development of insurance companies and state stimulation of their activities in the agrarian sector of the economy;
- creation with the participation of the state of the first mortgage institution of the second level in Ukraine, which would provide refinancing of commercial banks that will provide loans secured by real estate, including agricultural land plots.

The current state of the Ukrainian economy requires drastic changes in land relations. Wide involvement of land plots and other real estate objects in the economic turnover is a necessary prerequisite for a significant increase in investments.

At present, it is necessary to adopt a number of laws that will regulate land and property relations, the development of mortgages, etc., and the necessary institutional prerequisites should also be created.

A prominent place among these measures belongs to the creation of an effective system of registration of rights to immovable property.

The system of registration of real estate rights is of key importance in ensuring the economic turnover of land plots and other real estate.

State protection of information contained in the registration system is a prerequisite for its effective functioning. This means that the state should bear full responsibility for the information entered into the database. Only under this circumstance, the registration system will create trust among users, which will ensure its effectiveness.

An effective registration system is possible only under the following circumstances:

- the land plot must be registered together with the immovable property located on it;
- registration of land plots, other real estate and rights to it must be kept in one register.

This approach to registration is based on the fact that the land plot is primary real estate, and all other real estate objects (buildings, perennial plantations) are real estate only because they are inextricably linked to the land plot. Registration of real estate on the basis of land plots will help to avoid many conflicts that may arise in the case of civil legal actions with real estate in case of uncertainty of rights to land plots and real estate located on them. Only in the case of real estate registration on the basis of land plots, it is possible to maintain a single real estate register with a single identification system for all immovable objects.

An extremely important aspect is the maintenance of the cadastre and register of rights (non-debt restrictions and debt encumbrances) by one institution.

The "one-window" principle, which provides the opportunity to obtain complete and reliable information in one place, is very convenient for users of the registration system and enables the effective functioning of such a system.

In world practice, there are mainly two types of registration systems. Depending on the principles on which they are based, dual and single systems are distinguished.

The essence of the dual system is that the management of the land cadastre is entrusted to the land management bodies, and the registration of rights is carried out by the courts of the lower instance in the land register.

Another option for solving the problem of real estate registration and rights to it is the creation of a single system that combines the land cadastre and the land book in one register.

Ukraine is just beginning to create a system of registration of real estate and rights to it that meets the requirements of a market economy, and therefore has the opportunity to take into account the rich foreign experience with all its achievements and mistakes and introduce a highly effective registration system.

An important component of the unified State registration system should be the register of rights to immovable property and their limitations.

The adoption of the Tax Code of Ukraine, which would normalize and establish the tax-budgetary relations of agricultural enterprises and banks with the state, is extremely important.

As already mentioned, the decisive role in creating macroeconomic prerequisites for the development of credit relations between banks and agricultural enterprises belongs to the state.

Credit relations developed historically. They have gone through centuries of development, evolving in accordance with changes in social and economic formations.

Modern credit relations arise between borrowers and creditors and include the following four stages:

- the stage that precedes the loan;
- providing a loan;
- use of credit;
- loan repayment.

At all stages, except the first, credit monitoring continues both on the part of the borrower and on the part of the creditor.

The development of credit relations between banks and agricultural enterprises requires certain prerequisites. The systematization of such prerequisites became possible thanks to the development of a corresponding concept.

A comparison of the necessary prerequisites for the development of credit relations with the actual ones made it possible to determine a clear system of measures aimed at the development of bank crediting of agricultural enterprises.

Most agricultural enterprises lack the knowledge and experience necessary to properly substantiate their need for bank loans. Medium- and long-term crediting of agricultural enterprises is developing extremely unsatisfactory (and this is in conditions when the physical and moral wear and tear of most of their fixed assets has long since reached a critical limit), primarily due to the lack of sufficient and liquid provision of such loans.

There are shortcomings in the work of commercial banks, which are far from always able to assess the creditworthiness of agricultural enterprises taking into account their specifics and reasonably determine the limits of their possible short-, medium- and long-term lending.

In addition to the mentioned reasons of a microeconomic nature, which must be eliminated at the "bank-enterprise" level, there are also macroeconomic factors that negatively affect the development of credit relations between agricultural enterprises and banks (lack of effective state regulation of price and financial relations, insufficient legal support, etc.). .

The above indicates the need for a comprehensive approach to the development of a system of measures aimed at overcoming the negative impact of micro- and macroeconomic factors that restrain the development of credit relations between agricultural enterprises and banks.

In the conditions of reforming the Ukrainian economy, its transition to a market economy, the main task of agricultural enterprises is to adapt them to market conditions, which will positively affect the improvement of the efficiency of their activities. For this, enterprises need to rationally use their production, financial and other resources. In the post-privatization period, enterprises had an urgent need to restore the planning of production and financial activities, but on a new basis, oriented to market requirements.

The planned economy that existed in Ukraine during the Soviet era was based on completely different principles, different from the principles of the market economy, which consist in the orientation of the producer to the needs of the consumer. Currently, the goal of enterprises is not only to increase the volume of production, as it was before, but also to determine which products will be in demand, how to reduce production costs and improve the quality of products in order to increase their competitiveness. The main task of an entrepreneur is to make the right decision, which consists in choosing the best possible option. Effective use of the company's resources, a detailed study of the market environment, a well-planned marketing strategy, optimization of the production structure, planning of production volumes, processing and sales of products, determination of the company's need for capital and investments will bring the company closer to the expected profits.

An important aspect of planning the post-privatization development of agricultural enterprises is determining the ways of their cooperation with commercial banks. Agricultural enterprises and banks cooperate in many areas, the most important of which are lending to enterprises and providing them with various services.

Justification of the need for bank loans for the near and medium term is an important direction of financial work at the enterprise.

Planning the need for medium- and long-term bank loans requires preliminary substantiation of investment projects with the determination of sources of their financing. Since the sources of financing are always limited (and now this is an especially acute problem), the selection of investment projects must be carried out

very strictly. Only highly profitable, comprehensively substantiated projects can have the right to financing, including through bank loans.

Financial science and practice has accumulated a huge arsenal of techniques and methods for justifying and selecting investment projects, as well as sources of their financing.

In the process of selecting investment projects, as a rule, the following should be taken into account:

- payback period of invested capital;
- the break-even point of the project and the change in profitability in different economic conditions, the riskiness of the project;
- net present value of the project;
- internal rate of return of the project and others.

A comprehensive analysis of business projects allows you to rank them according to the level of attractiveness, which contributes to their informed selection. At agricultural enterprises, a similar practice of selecting business projects is almost absent, which makes it difficult to optimize investment activities. And this, in turn, hinders the development of credit relations between enterprises and banks.

Regarding the sources of financing investment projects, the following are real for agricultural enterprises at the moment: own sources, bank loans and financing through leasing. Raising funds through the issue of shares or debt instruments is currently practically impossible for agricultural enterprises. When planning business projects that will be financed by bank loans, special attention should be paid to securing these loans.

With regard to medium- and long-term loans (namely, those needed to finance investment projects), their real security can be guarantees or guaranties of third parties, pledges of land plots or real estate, etc. As you know, the possibilities of sufficient provision of medium and long-term loans by agricultural enterprises are very limited. Due to the difficult financial situation of the vast majority of such enterprises, it is difficult for them to find a guarantor or guarantor, most agricultural enterprises do not own large land plots, as well as other real estate (as a rule, they rent land plots and property). The working capital that agricultural enterprises have at their disposal is unsuitable for securing medium and long-term loans. All this sharply narrows the possibilities of medium and long-term lending. Therefore, as a rule, the collateral for such loans is the lending facilities themselves, which will be implemented at the expense of these loans.

All the above-mentioned circumstances must be taken into account in the process of planning the post-privatization development of agricultural enterprises in terms of their cooperation with banks. Before applying to the bank for a loan to finance one or another business project, it is necessary to clearly define that:

- this project is highly profitable and the risks associated with its implementation do not exceed an acceptable level; all this must be supported by reliable and sufficient arguments;
- the project must pay off within three, maximum four to five years;

- the company is able to allocate at least 30-40% of its own funds, necessary for financing the project;
- cash flows from the project within three to five years are sufficient to repay the debt to the bank;
- the enterprise has in its possession liquid and sufficient assets to secure the loan, including the own property (houses, etc.) of the participants and managers of the enterprise;
- the company is ready to revise credit rates in the direction of their increase in case of strengthening of devaluation or inflationary processes.

As already mentioned, without clearly defining one's position on all the above points, it is not advisable to apply to the bank for a medium or long-term loan. In addition to the above, company specialists must be able to correctly draw up the necessary documents that are submitted to the bank.

In the process of planning the production and financial activities of agricultural enterprises and their cooperation with banks, it is also important to correctly plan the need for short-term loans. As you know, one of the specific features of agricultural enterprises is their increased need for loans, particularly short-term loans. One of the most common ways to determine the need for short-term loans is to plan it for the intra-annual shortage of funds, caused primarily by the seasonality of agricultural production.

Reasonable planning of the need for short-term loans contributes to the establishment of relations between enterprises and banks, since banks have the opportunity to determine the future needs of their customers in short-term loans, and therefore with greater certainty to predict future volumes of credit operations. In addition, such planning of the need for short-term loans promotes the use of the most effective forms of short-term lending, in particular, an overdraft

Therefore, in the post-privatization period, agricultural enterprises felt an objective need for qualitatively new planning of their production and financial activities aimed at achieving the maximum possible result in the specific conditions that have developed and taking into account the requirements of the market economy.

One of the important aspects of such planning is determining the cooperation of enterprises with banks, primarily in relation to short-, medium- and long-term lending.

A business plan plays an important role in planning. With the help of a business plan, an entrepreneur determines the strategy of the company's development for several years ahead and ways of realizing the set goals, and also has the opportunity to compare his wishes with real possibilities. A business plan is a document that sets out planned and time- and space-bound measures, the purpose of which is to increase the efficiency of the enterprise in order to maximize revenues; it reflects the company's strategy.

Business planning in agricultural enterprises has its own peculiarities. Agribusiness requires taking into account specific factors that significantly affect production and financial activity in the agricultural sector. The main means of production in agricultural enterprises is land. The development of a business plan of

an agricultural enterprise requires, first of all, the search for the most effective use of this tool. This resource is, unlike others, immobile and cannot be replaced. It can only be about improving the use of existing land resources. As you know, in Ukraine at the beginning of the 90s of the last century, the level of plowing was the highest in Europe. Infertile plots of land were cultivated, as well as remote and inconvenient for cultivation, which led to an increase in the cost of crop production. The sharp rise in prices for industrial means of production during the 1990s, and the significant reduction in their receipts in the agricultural sector of the economy acutely posed the problem of reducing the area under cultivation.

Optimizing the structure of agricultural land at this stage of the development of the agricultural sector of the Ukrainian economy consists in such a transformation of these lands, which involves the removal from cultivation of unproductive, remote and inconvenient land plots with their subsequent transfer to natural fodder lands - hayfields and pastures.

This makes it possible to combine crop production and livestock breeding at the enterprise in the best possible way and, on this basis, predict the development of the enterprise's processing of agricultural products and its sale.

After the transformation of agricultural lands, it is necessary to determine the expediency of production of certain types of agricultural products in market conditions.

The rational combination of animal husbandry and crop husbandry and determination of production volumes of certain types of agricultural products is the basis for planning the processing of agricultural products and its implementation.

During the entire process of determining the structure and volumes of production, processing and sale of products, the state and development trends of agrarian markets, as well as markets of industrial resources, are deeply analyzed. Ensuring the competitiveness of manufactured products and services provided is a prerequisite for drawing up a business plan.

Justification of the structure and volumes of production, processing and sale of products and provision of services is the basis for determining the prospective need for fixed and working capital. Comparing the prospective need for fixed capital with its actual availability and future disposal during the development of the business plan makes it possible to substantiate the necessary business projects, as well as to find sources of their financing: internal and external, own and borrowed. At the same time, business projects that will be financed with bank loans are determined.

Thus, sound business planning is an important prerequisite for determining the need of a private agricultural enterprise for medium- and long-term bank loans.

Depending on the credit policy pursued by the financial institution, certain requirements and restrictions may be established when lending to a particular enterprise project, namely:

- the form of ownership and the size of the enterprise to which the loan is granted. As a rule, credit institutions prefer privately owned enterprises. As for the size of the enterprise, the restrictions on the volume of lending, in most cases, apply to small and medium-sized enterprises;

- the share of involved financial resources in the total cost of the project. The lender is always interested in ensuring that the share of the company's funds involved in the implementation of the project is as large as possible (so, for example, when granting a loan by the European Bank for Reconstruction and Development to small and medium-sized businesses, one of the conditions is that the loan cannot exceed 70% of the cost of the financed project);

- loan repayment term. Most credit institutions set such a term, which, so far, does not exceed 3-5 years for financing fixed capital and 6-12 months for financing working capital;

- securing the loan. When granting a loan, banks require an appropriate collateral, which serves as a guarantee of loan repayment. The value of the collateral must be at least 130% or more of the principal amount of the loan (on lending to small and medium-sized enterprises, the EBRD requires the value of the collateral to be 200% of the principal amount of the loan);

- insurance. Movable or immovable property acting as collateral must be insured for the entire term of the loan, and the borrower company must also insure the risks associated with the purchase and delivery of goods at the expense of the borrowed funds;

- use of credit. In most cases, loans are targeted and their use is under strict creditor control.

As noted, the analysis of the efficiency of production of agricultural products and products of their processing is an important element of drawing up a business plan of an agricultural enterprise.

Financial analysis of production efficiency is carried out in order to determine the most effective types of products. Since one of the characteristic features of agricultural enterprises is the production of a significant number of various types of agricultural products, the analysis of production efficiency as a whole in the economy is insufficient. Under such circumstances, it becomes necessary to analyze the efficiency of production separately for each type of product. In addition, in the pre-market period, the financial analysis of the efficiency of production, sale of products or services provided was based on completely different principles, different from the principles of the market economy. Under the planned economy, such an analysis consisted in the fact that the enterprise, knowing in advance the price of one or another product, calculated costs (calculated the cost of production) and thus determined the efficiency of production. Currently, in the market economy, the company can only predict the price; at the same time, the risks associated with the production and sale of products increase sharply, which can negatively affect the efficiency of the enterprise.

At agricultural enterprises, such an analysis is preceded by a study of the structure of agricultural land and its rationalization. Thanks to the transformation of lands (withdrawal of worse lands from cultivation and their subsequent transfer to hayfields and pastures), enterprises will have the opportunity to concentrate material resources on better lands.

The next step after the optimization of the structure of agricultural land was to carry out a financial analysis of the efficiency of the production of certain types of agricultural products of the enterprise. For this purpose, the technique developed by the Department of Banking of NAU [25] was used. As already mentioned, the purpose of such an analysis is to determine the most effective types of products, taking into account:

- the possible profit that would ensure the necessary level of extended reproduction;
- the duration of the turnover of funds in the production of each type of product;
- inflation rate for the relevant period;
- risks associated with the sale of products.

Taking into account the above-mentioned factors, the required level of profitability was calculated for each type of product. The essence of the analysis is to compare the required level of profitability with the actual one - if the production of a certain type of product can provide the required level of profitability, then the production of this product is appropriate.

Financial analysis of the efficiency of production of certain types of products is the basis for the optimal combination of crop production, livestock production and processing of agricultural products.

On the basis of this analysis, the justification of investment projects and their sources of financing is carried out.

As already mentioned, the enterprise's need for credit for the next 3-5 years is determined in the process of drawing up a business plan.

Currently, there are such circumstances under which the production and sale of agricultural products does not bring high profits to the enterprise. The main profits in the agro-industrial complex are concentrated in processing and trade. Thus, in order to increase the efficiency of its activity, the enterprise must also engage in processing and sale of products through its own trade network.

There are many approaches to planning the need for long-term loans, and all of them are based in one way or another on comparing investment projects of different attractiveness with possible sources of their financing, including long-term bank loans (in highly developed economic systems, 70-75% of investment flows are created precisely at the expense of long-term bank loans).

As already mentioned, an agricultural enterprise can select investment projects and sources of their financing in the process of drawing up a business plan, which will determine the development of the enterprise in the near and medium term.

The feasibility of investment projects was evaluated by the enterprise according to two indicators:

- the payback period of the project (under modern conditions, it should not exceed five years);
- the net cash flow from the project during the first five years, which was calculated as the difference between the cash flow from the project (profit + depreciation deductions) and the investment in the project.

When determining cash receipts, all funds that will come to the enterprise during the year are taken into account: revenue from the sale of products and services, reduction of receivables and increase in payables of the enterprise in relation to borrowers and buyers, receipt of funds for long-term loans, etc.

Expenditure planning should take into account the spending of funds in all directions, except for the payment of interest for short-term loans, since the volume of such lending is still unknown.

Such directions include: financing of current expenses and capital investments, reduction of payables to borrowers and buyers, repayment of long-term loans and payment of corresponding interest, etc.

When planning annual cash receipts and expenses, one should, as a rule, anticipate an excess of the former over the latter by 5–10% for two reasons: firstly, part of such an excess will be used to pay interest on future short-term loans, the amount of which is still unknown and, secondly, it is desirable to have such a situation in which the balance of funds on the accounts and in the cash register of the enterprise at the end of the planning year will exceed the corresponding balance at its beginning.

However, there may be cases where the planned annual expenses exceed the annual income. In this case, there may be not only a decrease in the balance of funds on the accounts and in the company's cash register compared to the beginning of the year, but also an increase in its short-term debt for the corresponding period. Such an excess should be properly motivated, and it is also necessary to provide for the repayment of the corresponding debt in the next year as planned. The possibility of taking into account the specified circumstances arises under the condition of drawing up a business plan of an agricultural enterprise, which determines the main directions of its development for the next 3-5 years.

As already mentioned, the most convenient way to plan the company's need for short-term loans is by comparing its future cash receipts and expenses. This fully (and, even, primarily) applies to agricultural enterprises, since they are characterized not only by the advance of expenses compared to income, but also by the significant influence of seasonal factors on their annual dynamics. However, it should be borne in mind that the instability of climatic factors, as well as price factors, can seriously affect the effectiveness of agricultural production and will cause significant deviations in the actual dynamics of cash receipts and expenditures compared to the planned, which will lead to the loss of the relevance of the determined need for short-term loans and the possibility of their return. In order to eliminate the mentioned shortcoming, the planned balance of cash receipts and expenses of the enterprise should be clarified if necessary during the year.

In the process of planning the company's cash needs, it is advisable to provide for a certain minimum reserve for unforeseen expenses in order to ensure sufficient solvency of the company and avoid late payments if possible. It is advisable to set this standard within 5–15% of such expenses. It is determined empirically, taking into account the company's activity in previous years. With a decrease in this standard, the risk of late payments on the part of the enterprise increases; with its increase, loan

costs increase in those months when the creation of a corresponding reserve is expected at the expense of a short-term loan. These circumstances determine the above-mentioned normative limits (in our example, it is 10%).

Therefore, drawing up a balance of cash receipts and expenses allows the enterprise to determine its need for short-term loans for the planned year quite accurately;

- the balance of cash receipts and expenses is needed not only by the enterprise; it is of significant interest for the bank-potential creditor, as it allows it to more reasonably determine the volume of credit transactions for the next year with their possible clarification during the year.

Optimizing relations between agrarian enterprises and banks in the field of credit relations is not possible to the full extent, if related problems are solved only at the microeconomic level. State regulation of prices for agricultural products and state support for the spread of crop insurance are mandatory prerequisites for such optimization (along with the preservation of the existing system of taxation of agricultural enterprises and the expansion of the practice of partial compensation of credit rates).

Given the leading role of credit operations in bank asset portfolios, the effective organization of bank lending is extremely important as the basis of liquidity and financial stability of commercial banks. In order to ensure such an organization, banks develop and implement their credit policy, which defines the following:

- goals of the credit policy and ways to achieve them;
- activity standards of bank employees who make strategic decisions regarding lending and directly carry out lending activities;
- assessment criteria and methods of credit management quality control.

The goals of the bank's credit policy are determined in accordance with its overall strategy and include the maximization of income from credit activities and the minimization of related risks.

The credit policy reflects the following points:

- credit portfolio management;
- control over the credit process;
- establishing limits for credit lines and formation of reserves for possible losses on loans granted;
- credit monitoring.

The responsibility for developing the credit policy and its implementation rests with the bank's credit committee, which is headed, as a rule, by its manager.

The main stages of the credit process are:

- consideration of a potential borrower's loan application;
- an interview with a potential borrower;
- assessment of the applicant's creditworthiness;
- preparation and conclusion of a credit agreement;
- provision of loans and their monitoring.

The credit relationship between the bank and its client begins with consideration of the loan application, which contains information about the loan that

the client needs (purpose, amount, term, security, etc.). A mandatory component of the application is a package of accompanying documents, which, as a rule, includes:

1. Copy of the certificate of state registration of the enterprise.
2. Copies of founding documents (statutes and minutes of founding meetings).
3. Financial reporting documents (accounting balances, reports on financial results, cash flow statement).
4. Certificate from the DPA on the absence of debt to the budget and state trust funds.
5. Information on previously received loans.
6. Materials of audits for the last three years (if such materials are available).
7. Business plan (business project).
8. Documentation certifying the potential borrower's ownership of the collateral.
9. Notarized written consent of all co-owners of the property to pledge it.
10. Contracts for the sale of the client's products and their supply.

The given list of supporting documents may be supplemented at the request of the bank, and in the event that the potential borrower of the bank is its regular client, it may be reduced.

An extremely important aspect of credit relations between a bank and a potential borrower is the assessment of the latter's creditworthiness, which includes:

- familiarization with his credit history;
- studying the business reputation of a potential borrower (for legal entities – the business reputation of participants and managers of the enterprise);
- assessment of the financial status of the applicant;
- analysis of the submitted business plan (business project);
- assessment of collateral for the requested loan.

If the bank and its client are well acquainted with each other, the assessment of creditworthiness is reduced to the last three points (assessment of the financial condition, analysis of the business plan and assessment of the adequacy and liquidity of the collateral).

Credit relations between the bank and its borrower are regulated by legislation and a credit agreement. They are implemented in the process of providing loans, their use and return, as well as monitoring compliance with the terms of the loan agreement.

One of the many problems faced by banks in connection with such a recovery is determining the credit rating of agricultural enterprises as a prerequisite for their lending.

Analyzing the financial condition of the enterprise-potential borrower, the bank pays special attention to its creditworthiness. The task of creditworthiness analysis is to determine the potential borrower's ability to repay borrowed funds in a timely manner and in full, the bank's degree of risk associated with granting a loan, the possible volume of lending and the terms on which the loan will be granted.

The creditworthiness of a potential borrower can be assessed using three methods:

- the method of coefficients, which involves determining the main financial indicators and their normative values for a specific borrower (there are specifics of lending to enterprises depending on their types of activity), analysis of changes in the levels of these indicators over time, as well as comparing them with the average value at similar enterprises;

- by the method of rating evaluation, which involves assigning a certain point depending on the level of one or another indicator in accordance with the scale established by the bank. After that, a total score is derived, which determines the credit rating of the enterprise-potential borrower;

- combined method.

On the basis of these methods, specific methods are developed, which are used in the process of analyzing the financial state of the enterprise. When choosing methods for assessing the financial condition of an enterprise - a potential borrower, the bank must be guided by the following principles: firstly, the method must include the following financial indicators, with the help of which it is possible to most objectively assess the financial condition of the enterprise - a potential borrower: obligation in calculations for previous loans, current financial condition, liquidity of assets (ability to mobilize funds if necessary); and secondly, the number of financial documents required for the analysis should be minimal, but maximally sufficient, which will contribute to reducing the cost of time and money.

The bank independently decides on the optimal set of financial indicators. In banking practice, all financial indicators are divided into separate groups depending on which side of the enterprise they characterize.

Determining the credit rating of an agricultural enterprise has both common and distinctive features compared to the credit rating of enterprises in other sectors of the economy. Among the peculiarities of determining the credit rating of an agricultural enterprise, one should first of all note the fundamentally different structure of assets and liabilities of the accounting balance of such an enterprise and the change of this structure under the influence of seasonal factors.

Analysis of the creditworthiness of agricultural enterprises using commonly used financial ratios and their normative values, without taking into account the specifics of the industry of these enterprises, often revealed significant discrepancies between the assessment of creditworthiness and the actual level of loan repayment: there were rare cases when enterprises with a credit rating lower than the minimum allowable fulfilled their credit obligations by 90 percent or more).

In accordance with the above-mentioned approaches to assessing the financial condition of enterprises, foreign and domestic experts have developed many specific methods of such assessment.

In its regulatory documents, the National Bank has formulated the minimum necessary requirements for assessing the borrower's financial condition. In addition, commercial banks have the right to independently establish additional criteria for assessing the borrower's financial condition in order to more fully take into account credit risks and effectively control them.

According to the requirements of the NBU, in order to assess the financial condition of the borrower-legal entity, the bank must take into account the following main economic indicators of its activity:

- solvency (instant, current and total liquidity ratios);
- financial stability (coefficients of maneuverability of own funds, ratio of borrowed and own funds);
- scope of implementation;
- account turnover (ratio of receipts on the borrower's account and the amount of the loan, availability of accounts in other banks; availability of a record of non-payments - in dynamics);
- composition and dynamics of receivables and payables (for the last reporting and current years);
- production cost (in dynamics);
- profits and losses (in dynamics);
- profitability (in dynamics);
- credit history (repayment of credit debt in the past, availability of existing loans).

Subjective factors characterized by the following indicators can also be taken into account:

- the borrower's market position and its dependence on cyclical and structural changes in the economy and industry;
- availability of state orders and state support of the borrower;
- the efficiency of the borrower's management;
- professionalism of management and its business reputation;
- other information.

When assessing the financial condition of the individual borrower, the following should be taken into account:

- the general financial condition of the client (income and expenses, property, ownership of which is certified in accordance with the current legislation of Ukraine; relevant supporting documents);
- social stability of the client, i.e. availability of a permanent job, marital status;
- age of the client;
- the intensity of using bank loans (guarantees, etc.) in the past and the timeliness of their repayment and interest (commissions, etc.) on them, as well as the use of other banking services, etc.;
- business reputation;
- other information.

Summarizing the research of scientists and practical experience in assessing the financial condition of enterprises allows us to draw certain conclusions:

- the method of assessing the financial condition of the enterprise must correspond to the purpose of such an assessment (provision of long-, medium- or short-term loans, determination of the investment potential of the enterprise, calculation of the most likely price of its sale, etc.). Depending on the purpose of the evaluation, certain financial indicators are selected, their specific weights (shares),

etc. are determined. This study examines the methods of assessing the financial condition of enterprises - borrowers (or potential borrowers);

- the indicators on which the methods of assessing the financial condition are based should be selected according to the principle of a sufficient minimum, i.e. these indicators should cover all essential aspects of the phenomenon under study, but should not duplicate, but complement each other;

- the branch specifics of agricultural enterprises require the development of special methods along with the use of universal ones. Special methods will more accurately determine the financial condition of an agricultural enterprise, universal methods will provide the possibility of comparing agricultural enterprises with enterprises of other branches of the national economy (universal methods are based on indicators that are important for all enterprises, regardless of their branch affiliation or specialization; at the same time, the normative values of the same the specific indicators and their shares (specific weights) may be different depending on the characteristics of the assessed enterprises and the purpose of the assessment).

One of the components of the assessment of the creditworthiness of an enterprise - a potential borrower by a commercial bank is the analysis of the business plan (business project) submitted by the enterprise.

Credit relations between the creditor and its borrower are regulated by legislation and the credit agreement. A credit agreement is concluded between the subjects of credit relations (creditor and borrower) in writing and, in accordance with current legislation, must be notarized.

The credit agreement must include the following information regarding:

- subjects of credit relations, namely;
- for individuals: surname, first name, patronymic, passport data, identification number in the State Register of Individuals and address of permanent residence (foreigners indicate the address of permanent residence outside Ukraine);
- for legal entities: full name of the parties, their legal address, identification code of EDRPOU (for non-residents – country of registration) and bank details.
- the amount of the main obligation, the order and terms of its fulfillment;
- lending object (the information must be sufficient to identify this object);
- the interest rate and the procedure for its change (in the case of applying a "floating" credit rate), the procedure and terms of accrual and payment of interest;
- securing the main obligation - collateral, if any. Information about the pledge must contain a description of the subject of the pledge sufficient for identification.

A pledge agreement can be a component of a credit agreement or a separate agreement, in which case it must also be notarized. When concluding a credit agreement, an insurance agreement may be concluded at the request of the creditor.

- the creditor's right to check the borrower's financial condition, the intended use of the loan and the safety of the collateral;

- the borrower's responsibility for inappropriate use of the loan, late payment of interest and fulfillment of the main obligation;

- sequence of performance of the borrower's obligations: overdue interest payment obligations; overdue principal debt repayment obligations; term obligations

to pay interest; interest penalty; interest on the principal debt; fixed-term obligations to repay the principal debt;

- a list of documents provided to the bank by the borrower during the validity of the credit agreement;

- special conditions: the procedure for storing the subject of the pledge, preventing the change of ownership until the obligation is fully fulfilled, etc.; the creditor's right to demand early fulfillment of his obligations by the borrower in the event of the latter's violation of the specified conditions is provided for, and if the borrower refuses to fulfill his obligations ahead of time, to satisfy the requirements by foreclosing on the collateral.

The right to sign the credit agreement belongs to the managers, after which the signatures are sealed. The signatures of the named persons are affixed on each page of the credit agreement.

If it is necessary to make changes to the credit agreement, an additional agreement is drawn up.

After signing the credit agreement, it is registered in the journal of registration of credit agreements (agreements for loans secured by immovable property are registered in a separate journal).

The registration log contains the following information:

- number and date of the credit agreement;
- the name and details of the borrower;
- the amount of the main obligation and the terms of its full implementation with possible extensions;
- object of lending;
- subject of pledge and its value;
- interest rate;
- credit account number;
- number and date of the pledge agreement;
- the number and date of the bond (if such is issued);
- if the pledge is pledged - a note about its pledge.

The registration log must be numbered, laced, signed by the creditor with the signature affixed with a seal.

A separate credit file is created for each loan, which contains the following data:

- information about the borrower (financial statements, balance sheets, business plan, business project for which funds are being raised, creditworthiness analysis documents, correspondence, etc.);
- documents related to the loan (copies of the loan agreement and pledge agreement, copies of additional agreements, creditor's conclusions about the possibility of granting the loan, copies of settlement documents on the basis of which credit funds were provided and debts were repaid).

The original of the loan agreement and the pledge agreement, as well as the originals of the additional agreements and the pledge are in the possession of the borrower and the creditor.

The lender has the right to systematically monitor the borrower's compliance with all terms of the loan agreement, namely:

- targeted use of credit;
- full and timely fulfillment of obligations by the borrower;
- payment of interest on the granted loan;
- preservation of the subject of the pledge;
- creditworthiness of the borrower.

During the entire period of the borrower's fulfillment of his obligations, the creditor has a close business relationship with him. Checks are carried out regarding the targeted use of credit resources, an analysis of the borrower's financial condition, as well as his economic activity, is carried out. If necessary, the creditor conducts inspections on the borrower's territory using the necessary financial and other documentation. Also, the creditor pays important attention to monitoring the safety of the subject of the pledge.

According to the current legislation of Ukraine, the creditor has the right to obtain information about the financial condition of the borrower from various sources, provided that the information is obtained in a legal way. The conclusions of audit firms can be used.

Carrying out the above-mentioned measures, the creditor forms a file for each borrower, which accumulates information about the borrower, obtained during the granting of the loan and in the process of its support.

If, in the case of inspections, the creditor reveals a deterioration in the borrower's financial condition, or certain aspects that may lead to a deterioration of such condition, or other reasons that may lead to the borrower's non-fulfillment of his obligations to the creditor, the creditor may request the borrower to use the system measures aimed at improving the situation. If the situation has not improved, the creditor may demand from the borrower early fulfillment of his obligations, including at the expense of the collateral.

In the event of the borrower's refusal to fulfill his obligations, the creditor secures his claims in a claim-lawsuit procedure. sending the borrower an appropriately formalized claim, which contains a requirement that the borrower fulfill his obligations to the creditor, with a warning that in case of non-fulfilment within the specified period, the creditor will file a lawsuit in court.

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