



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

COLLECTIVE MONOGRAPH

**DNIPRO
2023**

UDC 657
BBK 65.052
O 16

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Recommended by the Academic Council of the Dnipro State Agrarian and Economic University (protocol № 8 from 25.05.2023).

Accounting and financial, information and language and communication support for the sustainable development of the agricultural sector: scientific, methodological and practical principles: a collective monograph. / edited by H. Pavlova and L. Vasilieva. Dnipro: Printing house «Standard», 2023. - 280 p.

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.

The collective monograph was published within the framework of the State Budget research topics “Innovative development of accounting, taxation and control in the system of ensuring the economic stability of enterprises” (state registration number 0121U109731) and “Finance, banking system and insurance in integrated rural development” (state registration number 0119U001573), “Information technologies and mathematical methods for the development of the agricultural sector of the economy” (state registration number 0120U105338), “Linguistic and professional training of specialists: lingual, social, cognitive, communicative and cultural aspects” (state registration number 0122U001178).

The publication is aimed at professionals engaged in practical activities in the field of regional policy, academics, government officials and the general public.

UDC 657
BBK 65.052

Dnipro State Agrarian and Economic University 2023

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2.2. DEPRECIATION OF FIXED ASSETS AND ITS INFLUENCE ON THE DEVELOPMENT OF MODERN PRODUCTION: ACCOUNTING ASPECT

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Summary. One of the most important factors in increasing the efficiency of production is the provision of the farm with basic means in the required quantity, assortment and more complete use of them.

The factors that shape the financial situation of the enterprise include the level of provision of fixed assets, the efficiency of their use, the degree of wear and tear, the correctness of the assessment, etc. The rational exploitation of fixed assets is an important factor in optimizing the cost of production, that is, the total costs of production and taxation of the enterprise, which directly affects the overall final financial result of the activity [1].

Keeping records of fixed assets has always required and requires increased attention from the accountant. Frequent changes in legislation during the years of Ukraine's independence directly affected the procedure for accounting for fixed assets many times. At the same time, the method of keeping records of fixed assets was changed almost completely several times. Changes in the legislation, such as the division of accounting into accounting and tax accounting, the adoption of national Accounting Regulations (standards), led to the emergence of a number of issues regarding the organization of accounting for fixed assets.

Key words: fixed assets, intangible assets, depreciation of non-current assets, methods of calculating depreciation, Tax Code of Ukraine, straight-line method, production method.

Many scientists and economists pay great attention to the issues of accounting and increasing the efficiency of the use of fixed assets. It has become especially relevant in the modern conditions of Ukraine's transition to the principles and methods of accounting and financial reporting in accordance with international standards, which has led to significant changes in the accounting procedure

Fixed assets represent accumulated public wealth. They are in constant motion, changed and improved. Expansion, maintenance of proper functional state and rational use of fixed assets largely determine the volume of production, the possibility of growth and improvement of efficiency [4].

All basic assets, except land, are subject to physical and moral wear and tear, that is, under the influence of physical forces, technical and economic factors, they gradually lose their qualities and come to a state unsuitable for use. The gradual transfer of the value of existing fixed assets to the finished product and the accumulation of a cash fund to replace worn out objects is called depreciation. Thus, depreciation deductions are one of the main sources of real investments. With the help of depreciation, the rate of return of fixed assets is regulated, the process of its reproduction is intensified, and the technical and production policy of the enterprise is regulated.

Fixed assets act as an economic form of existence of means of labor, used in production in kind over a long period of time, fixed assets perform the most important role - they strengthen the productive capacity of living labor. The success of the production activity of the farm depends on their availability, physical condition and level of use. Only by rationally using the main production assets, which are in proper physical condition and optimal structure. it is possible to obtain high indicators of economic profitability.

One of the main issues in market relations is increasing the efficiency of the use of fixed assets of enterprises. The financial condition of the enterprise, the competitiveness of its products on the market depends on the solution of this problem.

The main tasks of accounting of fixed assets are:

- timely display of information on receipts and disposals of fixed assets on accounts;
- reliable determination of the cost of fixed assets;
- control over the availability and preservation of fixed assets;
- determination of economic benefits from the use of fixed assets;
- correct and timely calculation of depreciation of fixed assets;
- accurate determination of financial results from the liquidation of fixed assets.

The main issue of depreciation policy is which method of depreciation deductions to choose. To answer this question, it is necessary to consider in detail all

existing methods and determine the factors related to the operation of fixed assets, because there are no clear recommendations for this in the world. In Ukraine, too, no clear depreciation policy has been developed, which would make it possible to stimulate the use of one of the largest investment resources. It is necessary to create such a system of amortization, which would enable each enterprise to choose the most favorable regimes for the restoration of fixed assets within the framework of the national regulation. This confirms the relevance of the chosen topic.

Fixed assets are tangible assets that the company holds for the purpose of use in the process of production or supply of goods, provision of services, leasing to other persons or for the implementation of administrative and socio-cultural functions, the expected period of useful use (exploitation) of which is more than one year (or operating cycle, if it is longer than a year) [3].

A characteristic feature of fixed assets is their long-term participation in the production process with the preservation of the main features and initial form. However, during the period of operation, fixed assets lose their consumer and physical qualities and ultimately become unusable. Material wear and tear of fixed assets is called physical wear. In countries with a developed economy, such a phenomenon as the aging of production equipment as a result of the appearance of new equipment and technology, i.e. the so-called moral wear and tear, is widespread [2].

When clarifying the economic nature of depreciation and its interpretation in regulatory acts, many contradictions arise, since quite often it is identified and used with such a concept as depreciation of fixed assets [2].

In its economic essence, depreciation is a monetary expression of the worn-out part of the cost of fixed assets transferred to the cost of finished products. This expression of wear and tear of fixed assets is necessary for the processes of their reproduction. That is, in the specified definition of depreciation, it is already possible to trace the duality of its interpretation: on the one hand, depreciation is interpreted as a process of transferring value, and on the other hand, the transferred value itself. In addition, as can be seen from the definition, the accumulated depreciation can express only the depreciation that was incurred by the fixed assets in the process of the enterprise's production of products, because when the products are not produced, then what is the depreciation transferred to? As you can see, there is a contradiction in the definition of well-known terms [6].

We describe the connection between the concepts of "depreciation" and "depreciation" in legislation and economic theory. In the traditional interpretation of these terms, we have:

- depreciation – the process of gradual depreciation of fixed assets under the influence of their wear and tear and the transfer (reimbursement) of this wear and tear to the cost of finished products [4];

- depreciation is the process of gradual depreciation of the value of fixed assets due to their operation, aging, or it is the sum of accumulated depreciation [3].

So, it turns out that depreciation is a consequence of wear and tear, and wear is accumulated depreciation, that is, in value terms, they should be equal [6].

In general, we can say that in most cases "depreciation" and "depreciation" are not identical concepts. It should be noted that many scientists also emphasize the impracticality of synonymizing these terms. Yes, Kireitsev H., Lytvynenko V., and Mavrina N. identify wear and tear (both physical and moral) with the aging of fixed assets due to exploitation, economic and technical-economic obsolescence, as a result of which they actually begin to cost less than new similar objects. At the same time, depreciation is interpreted by the specified authors as a process of depreciation of the value of fixed assets under the influence of physical and moral wear and tear and reimbursement of the amount of such wear and tear at the expense of the cost of production. In fact, it is a systematized distribution of value fixed assets during the useful life of use. One can fully agree with the opinion of these authors, taking into account the nature of wear and depreciation [3].

Banas'ko T.M. believes that the accumulated depreciation can express only the wear that occurred as a result of the production of certain products, because otherwise there is no base (finished products) to which this wear should be transferred [1]. In our opinion, this statement can also be considered true, since the accumulated depreciation is returned to us in the proceeds of sales, and if the products are not sold, then there are no funds for the reproduction of fixed assets.

Butynets' T.A. defines the depreciation of fixed assets as the gradual loss of fixed assets of their value due to the loss of use value, i.e. depreciation of a certain object of fixed assets compared to a similar object due to various reasons. It also emphasizes the fallacy of the widespread interpretation of depreciation as an indicator that is an expression of wear and tear, because the loss of value (depreciation) of the object of fixed assets and its transfer to the finished product do not always occur simultaneously. In practice, the value of an object of fixed assets can be lost without accrual of depreciation, and vice versa, amortization can be accrual even without the onset of wear and tear (examples of similar situations were considered above) [2].

Mossakovskiy V. and Kononenko T. emphasize that the economic essence of the mentioned terms is so different that it would be illogical to assume their value equality, since "...depreciation of fixed assets is a regulation, a contract, because there is nothing to oppose it in the asset, because the objects are actually depreciated for this amount .Depreciation is a reserve created to replace worn-out assets" [4].

Banas'ko T.M. defines depreciation as "...an investment resource and a means of accumulating cash." That is, in the mentioned author, we observe an emphasis on the interpretation of depreciation as accumulated financial resources for the reimbursement of funds previously advanced to the enterprise. For him, depreciation represents estimated (deferred) costs that are returned in sales revenue to replenish the company's own funds for further investment realization [1]. In view of the critical analysis of interpretations of depreciation and amortization of fixed assets, it is considered necessary to form an author's position on them.

Therefore, the authors of the study also emphasize the impracticality of equating the definitions of "wear and tear" and "amortization", since they have a different nature of origin, and offer the following definitions.

Depreciation is a multifaceted category. In this regard, we can talk about the accounting, economic and legal aspects of depreciation. However, different aspects of depreciation imply different approaches to its definition and interpretation. Some scientists, in particular Mossakovskiy V. and Kononenko, T. reject the appointment of depreciation deductions for the restoration of worn out fixed assets [4].

Mavrina N. claims that "the pace of reforming the accounting system is now ahead of the pace of reforming other components of management." To such a shift in accounting reform, he attributes "depreciation accounting based on the cost concept".

Academician Butynets' T.A. believes that depreciation deductions perform a double function: on the one hand, they are estimated expenses in the cost of production, on the other hand, their amount in the revenue from the sale of products is a source of financing the company's investments [2].

Many scientists, in particular are of the opinion that depreciation is not a source fund, but ordinary expenses that are included in the cost price. It shows in the reporting what part of the original cost of fixed assets has already been allocated to expenses.

Factors that limit the period of operation of an object of fixed assets can be divided into two main groups: physical and functional. The physical ones include wear and tear that occurs during the economic operation of the object, deterioration over time, damage and destruction. Functional reasons include those reasons that limit the period of operation of the fixed assets object, despite their physical adequacy.

According to P(S)A № 7, depreciation is not accrued on such a specific object of fixed assets as land, the useful life of which is unlimited [4].

Kireitsev H. emphasizes that depreciation is calculated for each specific object of fixed assets, which involves the determination (calculation) of that part of the depreciable value of the object of non-current assets, which should be attributed to the expenses of the current period. An object of fixed assets is a finished device with all its accessories and accessories, or a separate structurally separated object designed to perform independent functions, or a separate complex of structurally connected objects of the same or different purpose, which have common devices, accessories, control and a single foundation, as a result of which each item can perform its functions, a complex - a certain work only as part of a complex, and not independently [3].

A significant influence on these processes is exerted by the depreciation policy, which is carried out at the state level (as a component of economic policy) and at the level of individual enterprises (as a component of the accounting policy of the enterprise). But the amortization policy implemented today in Ukraine is imperfect. This has a significant impact on accounting, in particular on accounting for the depreciation of the company's fixed assets.

The issue of using depreciation deductions for extended reproduction is one of the most complex and debatable. The opinion is highlighted that depreciation cannot serve as a source of accumulation for extended reproduction of fixed assets. At the same time, most accounting specialists emphasize that depreciation in modern

conditions associated with the revaluation of the value of fixed capital and the rapid pace of innovative development is a source of accumulation of funds for the reproduction of fixed capital at the principle-innovative level.

Table 1

The impact of depreciation on the activities of the enterprise

Activities	Sphere of influence
Operating	Pricing, product life cycle, residual value of fixed assets and intangible assets
Financial	Financial indicators of the enterprise, sources of project financing, real funds
Investment	Indicators of efficiency of investment projects, period of operation of fixed assets and intangible assets

According to P(S)A № 7 "Fixed assets", the depreciation method must take into account the form in which the economic benefit from the asset is received by the enterprise. Therefore, the enterprise chooses the methods of depreciation of fixed assets independently, applying the appropriate accrual method to each object (or group of homogeneous objects) of fixed assets.

The calculation of depreciation is regulated by P(S)A № 7 "Fixed Assets" and is carried out by the following methods: straight-line, production, reduction of residual value, accelerated reduction of residual value, cumulative.

In order to identify tax accounting with accounting, you should stop at one method of depreciation most suitable for each group of your equipment and reasonably express it in the order of the accounting policy of the enterprise.

The straight-line method is the most convenient in calculations and consists in the uniform distribution of the cost of the object throughout its entire life. However, this method does not take into account the intensity of the production process. It is advisable to use it to calculate depreciation for those objects of fixed assets that are indirectly involved in the production process.

The method of reducing the residual value is quite complex and possible only if the liquidation value is determined. The methods of reducing the residual value and accelerated reduction of the residual value provide for the accrual of depreciation in the amount of the entire residual value (minus the liquidation value) in the last year of the planned useful life.

The cumulative method is characterized by the fact that the main part of the reimbursement of the cost of the fixed assets in the form of depreciation is applied to the first periods of operation, and over time the amount of reimbursement decreases.

The methods of reducing residual value, accelerated reduction of residual value, as well as cumulative should be applied to fixed assets that are subject to accelerated physical and moral wear and tear. The most justified use of these methods for depreciation of high-tech equipment, computer equipment, automobile transport, other similar objects that provide the greatest economic effect from their use during the first years of operation.

The production method should be used in cases where the wear and tear of the object is directly related to the frequency of its use. It is mainly used to calculate the depreciation of production equipment and motor vehicles, which can be compared to the volume of manufactured products or mileage. This method is effective for fixed assets that can independently perform a specific volume of provided services.

When choosing a method of calculating amortization, difficulties are added, primarily related to differences in determining the basis of the order of depreciation calculation, the display of certain transactions in tax and accounting. Thus, in tax accounting, all expenses related to the acquisition of fixed assets or their manufacture, repair, reconstruction, modernization are subject to depreciation, and there is no such thing as "liquidation value", while in accounting, the liquidation value of a purchased or manufactured fixed asset is not subject to depreciation .

According to the definition given in the Tax Code of Ukraine, the value of fixed assets, other non-current and intangible assets, which is amortized, is the original or overestimated value of fixed assets, other non-current and intangible assets less their liquidation value. But the Tax Code of Ukraine does not provide an interpretation of "liquidation value", only in clause 14.1.84 it is noted that other terms for the purposes of Section III are used in the meanings given in the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", national and international regulations (standards) of financial reporting, provisions (standards) of accounting. Therefore, the interpretation of the "liquidation value" of fixed assets should be guided by the definition given in P(S)A 7: "the liquidation value is the amount of funds or the value of other assets that the company expects to receive from the sale (liquidation) of non-current assets after the expiration of their term useful use (exploitation), less costs associated with sale (liquidation)" [5].The enterprise determines the liquidation value of the object of fixed assets independently and takes into account assumptions about the possible amount of funds that it expects to receive from the sale or liquidation of such an object at the end of its useful life. At the same time, the liquidation value can be set at the zero level.

Analysis of the influence of the chosen methods on the amount of depreciation shows that during the operation of the fixed asset it is advisable to use not one, but several methods of calculating depreciation, that is, their combination.

In accounting, objects that are included in the composition of low-value non-current tangible assets and, accordingly, do not belong to fixed assets, that is, assets with a value of up to UAH 20,000. depreciation, in accordance with P(S)A 7, can be calculated in a special order. At the same time, in the tax accounting, objects worth up to UAH 20,000. And with a service life of more than 365 days, it will be included in the fixed assets and depreciation will be accrued on it in accordance with the procedure provided by tax legislation.

Objects that are not used in the production activity of the taxpayer in tax accounting are not subject to depreciation and are carried out at the expense of relevant sources of financing, and in accounting there is no such concept, that is, objects that do not participate in the production activity of the enterprise in depreciation is subject to accounting.

The cost subject to depreciation, according to P(S)A 7, can be written in the form of a formula:

$$DP = IV - LV, \quad (1)$$

where:

DP- depreciation cost;

IV- initial value;

LV -liquidation value.

The initial cost is recognized by P(S)A 7 as the historical or actual cost of the object of fixed assets, which consists of the following costs:

- amounts paid to asset suppliers and contractors for construction and assembly works (without indirect taxes);
- registration fees, state duty and similar payments made in connection with the acquisition (receipt) of rights to an object of fixed assets;
- amount of import duty;
- amounts of indirect taxes in connection with the acquisition (creation) of fixed assets (if they are not reimbursed to the enterprise);
- expenses for insurance of the risks of delivery of fixed assets;
- costs for installation, assembly, adjustment of fixed assets;
- other costs directly related to bringing fixed assets to a state in which they are suitable for use with the planned purpose.

The original cost does not include:

- expenses for paying interest for the use of credit when purchasing (creating) fixed assets, fully or partially at the expense of loan capital;
- administrative and other expenses that are not directly related to the purchase of the fixed asset or bringing it to a state suitable for operation.

The revalued value is the value of fixed assets after their revaluation.

Thus, the enterprise must determine the liquidation value, the useful life of the object and the method of calculating depreciation for each object of fixed assets [4]. The liquidation value means the amount of money or the value of other assets that the company expects to receive from the sale (liquidation) of non-current assets after the end of their useful life, after deducting the costs associated with the sale (liquidation) [1].

Enterprises have the right to independently determine the terms of useful use of fixed assets. The basis of this definition is the production plan of the enterprise and the plan of development and improvement of the efficiency of the enterprise. The longer the period of use of the object, the smaller the amount of wear and tear will be annually included in the costs of the enterprise and the smaller, other things being equal, it will be possible to set the price, or the higher the profit will be recognized [2].

When determining the period of operation, the following should be taken into account:

- expected physical and moral wear and tear;
- the expected period of use of the object by the enterprise, taking into account its capacity or productivity;

– legal and other restrictions on the period of use of the object and other factors.

The service life is an important component in the mechanism of reproduction of fixed assets. The success of depreciation depends on how correctly it is determined. Since accounting as a science has a practical orientation, there is a need to describe the methods of establishing the terms of operation [4].

Two options are possible. The first option involves determining the useful life of assets based on the accumulated experience of the enterprise. Probably, the company already had a similar asset at its disposal and used it under similar production conditions. Yes, you can set the term of use of a new asset based on the company's experience with the previous object. For those who are more inclined to act according to the instructions, the second option is suitable: the entire service life (100%) must be divided by the rate of depreciation (also in %) [2].

The Tax Code of Ukraine distinguishes the classification of fixed assets and establishes the minimum allowable terms of their depreciation.

The above methods of calculating depreciation are conventionally divided into types:

- 1) depreciation methods based on the time of use of fixed assets (straight-line, methods of reduction and accelerated reduction of residual value, cumulative);
- 2) the depreciation method, which is based on the number of units obtained from the use of the object of fixed assets (production).

The classification of fixed asset depreciation methods is shown in figure 1.

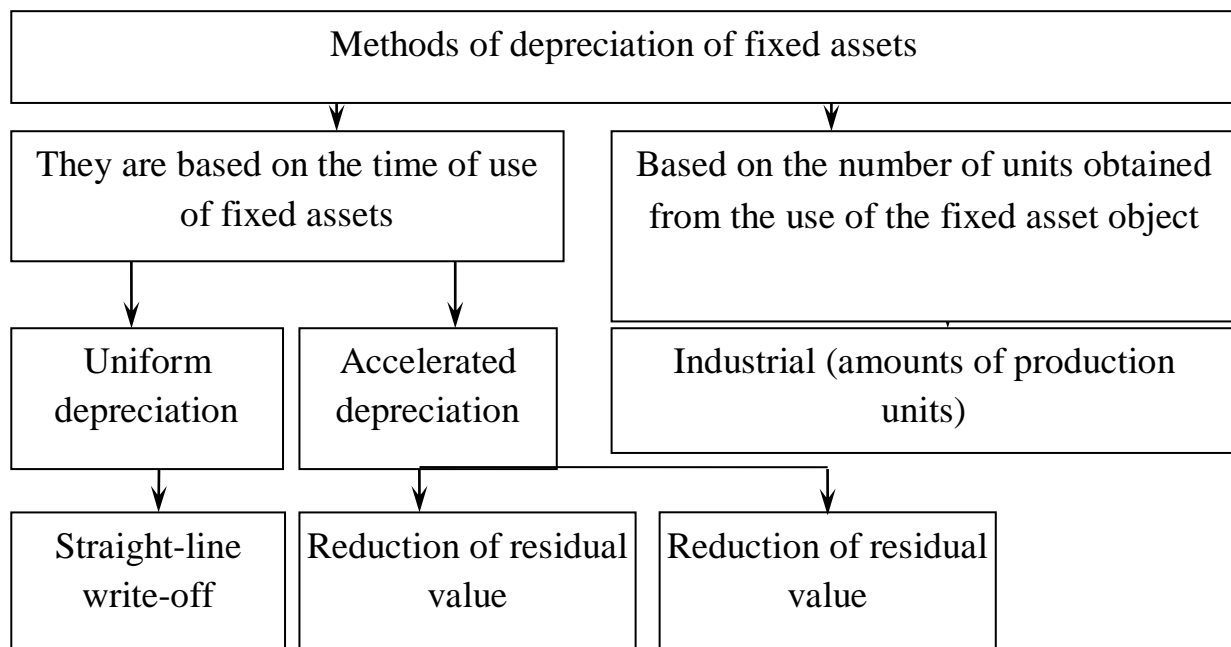


Fig. 1. Classification of methods of depreciation of fixed assets

The straight-line depreciation method is, as a rule, used in relation to objects of fixed assets, the condition of which depends solely on the term of useful use and is not influenced by other factors. Such fixed assets include buildings, structures,

furniture and others. Characterizing the straight-line write-off method, one cannot fail to note its advantages in the simplicity of calculations and the uniformity of the distribution of depreciation amounts between accounting periods. Its use is especially appropriate when the degree of exploitation of the fixed assets remains unchanged in each reporting period. It predicts an almost uniform decline in the object's economic utility from year to year [1].

The annual amount of depreciation when applying this method is determined by dividing the amortized value by the expected period of use of the fixed assets object, i.e.:

$$A = \frac{VD}{EP}, \quad (2)$$

where

A - the amount of annual depreciation deductions, UAH;

VD – the value of the depreciable object, UAH.;

EP – the expected period of use of the object, years.

However, the disadvantage of this method is that it does not take into account moral wear and tear, and also does not make a real assessment of the production capacity of fixed assets in different years of operation. Practice shows that machine wear increases in the first years of their operation, then the amount of wear stabilizes, and in the last years of operation, machine wear increases again. As for the wear and tear of cars, it is also uneven. The application of the given method does not always ensure the full transfer of the cost of fixed assets to the newly created product, as a result of which under-depreciation of fixed assets is created, which is a direct loss of the enterprise [6].

The essence of the method of reducing the residual value is to determine the annual amount of depreciation of an object of fixed assets based on the basic value of such an object at the beginning of the reporting year. The amount of depreciation deductions is determined by multiplying the final value of the fixed assets object by the rate of annual depreciation, i.e.:

$$A = RV * RAD, \quad (3)$$

where

RV – the residual value of the object of fixed assets;

RAD – rate of annual depreciation .

The company determines the rate of annual depreciation independently according to the following formula:

$$RAD = \frac{n \sqrt{LV}}{\sqrt{IV}}, \quad (4)$$

where

n is the period of useful use of the object of fixed assets, years;

LV – liquidation value;

IV – initial value

As is clear from the formula, the use of the residual value reduction method requires the mandatory availability of the liquidation value of the depreciated object of fixed assets. In the opposite case, the object of fixed assets will be fully "depreciated" within one year.

Note that in accordance with P(S)A № 7, the basis for calculating depreciation when using this method is the initial value on the date of the beginning of the depreciation calculation or the residual value at the beginning of the reporting year. From this it follows that, starting from the date of commissioning of the fixed assets object until the end of the accounting year in which such an object was introduced, the basis for calculating depreciation will be its original cost [6].

The method of accelerated reduction of residual value is a type of method of reduction of residual value. When applying this method, the annual amount of depreciation is determined based on the residual value of the object at the beginning of the reporting period (or the initial value on the date of the beginning of the calculation of depreciation for objects introduced during the year) and the doubled annual rate of depreciation, which is calculated based on the period of useful use of object. The depreciation rate in this case is calculated based on the formula for calculating the depreciation rate using the straight-line method, i.e.:

$$RAD = 2 * \left(\frac{A}{VD} \right) = 2 * \left(\frac{VD/EP}{VD} \right) = \frac{2}{EP} \quad (5)$$

This method of calculating depreciation does not require the liquidation value of the fixed assets. At the same time, the rule is followed, in which the amount of depreciation of the last year is calculated in such a way that the residual value of the object at the end of the period of its operation is not less than its liquidation value.

The annual amount of depreciation according to the cumulative method is determined by multiplying the depreciable value and the cumulative coefficient, which, in turn, is calculated by dividing the number of years remaining until the end of the expected service life of the fixed asset by the number of years of its useful use. If the operational period of the object is long enough, then the sum of the number of years is determined by the cumulative number formula:

$$RAD = \frac{(EP+1)*EP}{2} \quad (6)$$

It is worth noting that the application of methods of accelerated reduction of the residual value, as well as the cumulative method, are more progressive from the point of view of accounting methodology. The feasibility of using these methods is explained by the following facts:

- the greatest effectiveness of the use of fixed assets occurs in the first years of their operation, when they are physically and morally still new;
- funds are accumulated to replace the object in case of its moral aging and inflation;
- it is possible to increase a part of the costs for the repair of depreciable objects that fall on the last years of the use of such objects without a corresponding increase in production costs due to the fact that the amount of depreciation in these years decreases.

For certain types of fixed assets, depreciation is calculated according to the production method, that is, on the basis of the total production of the fixed asset object for the entire period of its operation in the appropriate units of measurement (units of manufactured products, hours worked, kilometers driven, etc.). The monthly amount of depreciation is calculated by the ratio of the amortized value of fixed

assets and the expected volume of production (works, services) for the entire year of useful use of such fixed assets. Thus, the rate of depreciation according to this method can be calculated using the formula:

$$\text{RAD} = \frac{\text{VD}}{\text{EVA}}, \quad (7)$$

where:

EVA - the estimated volume of activity (production).

Note that when using the production method, the amount of depreciation, which is recognized as an expense of the reporting period, and the book value of the object when using this method changes compared to the previous period in direct proportion to the volume of products (works, services). This method is based on the assumption that the actual profit obtained from the operation of the relevant fixed assets in each reporting period is related to the output of production units produced with its participation in these reporting periods. At the same time, it is considered that most production assets take part in the generated profit (and accordingly wear out) only when they are used in production [3].

With the help of depreciation, the rate of return of fixed assets is regulated, the process of their reproduction is intensified, and the technical and production policy of the enterprise is implemented. But today there are no clear rules (recommendations) regarding the choice of amortization method, which would be the best for enterprises of various organizational and legal forms and industries, objects of fixed assets and methods of their use [2].

All methods can be considered equivalent, because they pursue the same goal, but each of them determines different annual depreciation amounts.

A visual comparison of the accumulated depreciation of fixed assets by different methods is presented in the table 2.

As you can see, accelerated methods of calculating depreciation really correspond to their nature compared to the straight-line method.

In the balance sheet, fixed assets are shown at their residual value, which is defined as the difference between the original cost and the amount of accrued wear and tear (depreciation).

Depreciation is calculated during the period of useful use (exploitation) of the object, which is determined by the enterprise when recognizing this object as an asset (when it is entered on the balance sheet) and is suspended for the period of its reconstruction, modernization, extension, retrofitting and conservation (clause 23 P(C)A № 7). It begins to be calculated starting from the month following the month in which the object of fixed assets became suitable for useful use and is terminated from the month following the month of its disposal, transfer to reconstruction, modernization, extension, retrofitting, conservation.

Accumulation of amortization in case of application of the production method of amortization is stopped from the date following the date of disposal of the object of fixed assets [1]. Depreciation for tax purposes is calculated by the enterprise according to the method specified by the order on accounting policy for the purpose of drawing up financial statements. It can be revised in the event of a change in the expected method of obtaining economic benefits from its use (clause 145.1.9).

Table 2

Comparison of methods of depreciation of fixed assets

Amortization method	Factors of operation of the fixed asset object that affect the expected economic utility from its use
Rectilinear	Uniform operation of the object associated with the operation of various products. Minor wear and tear
Decrease in residual value and accelerated decrease in residual value	The object is used in the production of various products. Rapid physical and moral (or only moral) wear and tear. The need for rapid accumulation of funds for the accelerated recovery of fixed assets
Cumulative	The object is used in the production of various products. Rapid physical and moral (or only moral) wear and tear. The need for rapid accumulation of funds for the accelerated recovery of fixed assets. The service life of the facility is measured in whole years.
Industrial	The object is used for the production of one type of product or provides one type of service. Uneven operation of the object. The economic utility of an object of fixed assets decreases depending on the intensity of its exploitation. The period of useful use of the object is directly determined by its resource: the number of production units produced with its help, mileage, hours of operation, etc.

Therefore, the same method of calculating depreciation should be used in accounting and tax accounting. The enterprise should approach the choice of one or another method of calculating depreciation in a balanced way. Some consider the most optimal method of depreciation to be the method of reducing the residual value, because in the first years of operation of the object, its efficiency is greater than in the last, and therefore the amount of depreciation deductions in the first period is greater [6]. Others propose the production method, as it makes it possible to calculate the depreciation cost for manufactured products as evenly as possible [2].

Still others prefer the method of accelerated reduction of the residual value and the cumulative method, because they contribute to more efficient use of the asset during the first half of the period of its operation [5].

Mossakovskiy V., and Kononenko T. believe that the best method is a straight line, as it is uniform, stable, simple, and accurate [4]. Therefore, when choosing one or another method, it is advisable to be guided by the following: you need to clearly understand the importance of such a choice and not resort to the easiest, so as not to suffer unwanted losses in the future; take into account the competitiveness of the enterprise; questions regarding the establishment of the liquidation value and the term of useful use, depreciation methods should be regulated by standards and disclosed in the accounting policy.

The rules for determining depreciation deductions in tax accounting are as close as possible to the national P(S)A. Both in tax and in accounting, 16 groups of

fixed assets and other non-current material assets are distinguished. For each group, not depreciation norms are fixed, but the minimum allowable terms of useful use. At the same time, the term of useful use is established by the order of the enterprise when the object is entered on the balance sheet. It cannot be less than that defined in the TCU [5].

Accounting for the book value of fixed assets included in each separate group is carried out by object, including the cost of improvement of fixed assets received free of charge or in operational leasing (rent) and as a whole for the group as the sum of the book values of individual objects of such a group.

In accounting, the enterprise has the right to independently establish the value criterion for recognizing an object as a fixed asset (clause 5.2. P(S)A № 7), while such a right is not provided for in tax accounting. Tangible assets worth less than UAH 20,000. are included in group 11 "Low-value non-current tangible assets" for the purposes of calculating depreciation. During the receipt of a tangible asset at the enterprise and its recognition, it is necessary to pay attention to the term of useful use, cost and determine to which of the 16 tax groups this object belongs.

Valuation of fixed assets is extremely important. International financial reporting standards allow the use of the following asset valuation methods: at actual cost, replacement cost, possible sale price, discounted asset value. In national accounting practice, the traditional method of assessment is the display of fixed assets at original cost, which consists of the actual costs of their production and acquisition, but other types are also used (residual, amortized, revalued, fair, liquidation).

The modern system of calculating depreciation is imperfect. As mentioned above, depreciation of fixed assets begins to be accrued in accounting from the month following their commissioning. But P(S)A 7 (clause 29) states that the calculation of depreciation begins with the month following the month in which the object became suitable for useful use. It should not be forgotten that the equipment that does not require installation and is stored in the warehouse can be donated for useful use. In our opinion, the wording in P(S)A 7 is more expedient to read as follows: "Accrual of depreciation begins with the month following the month in which the object of fixed assets was put into operation."

In the scientific literature, there is no unanimous opinion regarding the most appropriate of the methods. When choosing one or another method, in our opinion, it is necessary to take into account the method of prudence and the expected way of obtaining economic benefits from the use of objects. It is this approach that meets the requirements of international financial reporting standards. To a greater extent, the principle of prudence corresponds to the method of reducing the residual value, since the largest amount of depreciation is accrued in the first years of the object's use. Next are the accelerated depreciation method and the cumulative method. Under the condition of uniform production, the indicator of the production method approaches the straight-line one.

Banas'ko, T.M. suggests that fixed assets can be conditionally divided into two types from the standpoint of depreciation:

a) directly employed in production, auxiliary and servicing (subcounts 104, 105, 106). For all fixed assets assigned to this type, for which it is possible to reliably and with minimal costs determine the volume of production, apply the production method. If it is difficult or impossible to do this, then use one of the so-called accelerated methods, which will contribute to a faster return of capital investments;

b) other fixed assets, which mainly constitute the infrastructure of the enterprise (sub-accounts 102, 103, 107, 108, 109). This includes specific objects that may not take a direct part in the production process, their actual capacity is difficult to determine, they do not constitute a specific part of fixed assets at enterprises (except for agricultural ones), so for them she suggests using the straight-line method.

In our opinion, depreciation deductions are one of the main sources of real investments. With the help of depreciation, the rate of return of fixed assets is regulated, the process of its reproduction is intensified, and the technical and production policy of the enterprise is regulated.

Summarizing the above, it can be concluded that fundamental differences in the definition of the functions of depreciation deductions can be found in the literature, which arise due to the fact that some authors proceed from the accounting concept of costs without taking into account the economic, financial and legal aspects of depreciation.

The main problem of accounting for depreciation in Ukraine is that it has lost the function of reproduction of fixed assets and is a simple element of costs. Fundamental disagreements when defining the functions of depreciation deductions arise due to the fact that most scientists take as a basis the accounting concept of costs without taking into account the economic, financial and legal aspects of depreciation. In addition, under the conditions of the planned system of economic management, the main source of enterprise investment was centralized financing of capital investments. In the new conditions of the independence of enterprises, management must be restructured in accordance with market conditions, relying primarily on its own capabilities.

Without centralized financing, first of all, one should use an internal source of investment - depreciation deductions. However, modern practice does not make it possible to clearly accumulate funds for the reproduction of fixed assets, because the amount of depreciation is reflected on expense accounts and on the "recommended" off-balance sheet account 09 "Depreciation Deductions". It is really not necessary to deposit funds for the purchase of fixed assets in a separate account, because a situation may arise in which the company has calculated depreciation in the reporting period, but has not yet sold products and received revenue, which, according to the data of 09 off-balance sheet account, will mean that the company does not use depreciation deductions for the renewal of fixed assets [1]. Depreciation is the only source of capital investment, requiring improvement in the reflection of the depreciation fund in the system of accounting accounts.

The modern method of displaying the amortization fund on the off-balance sheet account 09 does not allow qualitative control and purposeful use of funds for the purpose of reproduction of fixed assets. We propose to account for the specified

fund using the model of capital circulation, in which the funds received as revenue cover the expenses incurred, including current obligations to suppliers, for employee benefits, taxes, social insurance, etc., but also include the amount of depreciation deductions , embedded in the cost of manufactured products. Therefore, the depreciation fund should be considered a cash reserve, the funds of which are accumulated at the time of crediting the revenue to the current account.

Account 13 "Depreciation of non-current assets" is used to record the accrued amount of depreciation. It has sub-accounts: 131 "Depreciation of fixed assets" (information on the depreciation of those non-current assets, which are recorded on account 10 "Fixed assets" is summarized); 132 "Depreciation of other non-current tangible assets" (summarizes information on the amount of depreciation of those non-current assets that are recorded on account 11 "Other non-current assets"); 133 "Accumulated amortization of intangible assets" (information on the amount of accumulated amortization of intangible assets is summarized); 134 "Accumulated depreciation of long-term biological assets" (represents information on the amount of depreciation accrued on long-term biological assets, which are accounted for on subaccount 162 "Long-term biological assets of crop production valued at original cost" and 164 "Long-term biological assets of livestock production valued at original cost").

Accrued depreciation is included in the main production costs (account 23 "Production"), general production costs (account 91 "General production costs"), administrative costs (account 92 "Administrative costs"), sales costs (account 93 "Sales costs") , other costs of operating activities (account 94 "Other costs of operating activities") depending on the purpose of using the object of fixed assets:

- using accounts of class 8 "Expenses by elements": Dt 83 "Depreciation" Ct 131, 132; Dt 23, 91, 92, 93, 94 Ct 83;

- using only accounts of class 9 "Expenses": Dt 23, 91, 92, 93, 94 Ct 131, 132.

Analytical accounting of depreciation of accumulated depreciation of fixed assets is carried out by types of these assets in accordance with tax legislation. Depreciation deductions are attributed to the costs of production and circulation as part of the cost of fixed production assets, which corresponds to their wear and tear.

Depreciation is charged at the expense of production costs. The document confirming the right to write off accrued expenses is the act of putting capital assets into operation.

Regarding unfinished or not formalized acts of acceptance of capital construction objects or their parts, which are operated by those enterprises to which they will be transferred as fixed assets, depreciation is calculated in the general manner - from the 1st of the month following the month of commissioning. The basis for accrual is a certificate on the value of these objects or their parts according to the capital investment accounting data.

Therefore, the information for calculating depreciation is precisely the form of primary documents for accounting for the movement of fixed assets:

- OZ-1 "Act of acceptance-transfer (internal movement) of fixed assets".The specified form is used to register the inclusion of individual objects in the fixed

assets, their commissioning (except for those cases when the commissioning is carried out in a special order), the internal movement of fixed assets (for example, from brigade to brigade, from precinct to precinct, etc.), as well as the transfer of fixed assets for a fee, without payment and under lease agreements to other legal entities or individuals;

- OZ-2 "Act of acceptance and delivery of repaired, reconstructed and modernized objects", which is used when performing the specified works both by the company's own forces and by third-party enterprises;

- OZ-3 "Deed of write-off of fixed assets", which is mandatory for any liquidation of objects (full or partial), except motor vehicles: as a result of their complete wear and tear, dilapidation, emergency condition, for reasons of theft, etc.;

- OZ-4 "Act on write-off of motor vehicles";

- OZ-6 "Inventory card for accounting of fixed assets", which is used by the accounting department of the enterprise for accounting of both a separate object and a group of objects. The basis for displaying transactions in the inventory card are the above-mentioned acts of forms № OZ-1, OZ-2, OZ-3, OZ-4;

- OZ-7 "Description of inventory cards for accounting of fixed assets" is intended for registration of all inventory cards of fixed assets opened at the enterprise. This form is drawn up in one copy and is used to control the availability of form № OZ-6 cards;

- OZ-8 "Fixed assets accounting card" is opened for each classification group of fixed assets and is filled out every month. This card accumulates information on the receipt of fixed assets at the enterprise (on the basis of form № OZ-1), on the amount of accrued depreciation, on disposal of fixed assets;

- OZ-9 "Inventory list of fixed assets" is intended for accounting of fixed assets of a specific classification group according to their location and operation.

After the acts of putting these objects into operation and their inclusion in the fixed assets are drawn up, the previously accrued depreciation amounts are clarified with the corresponding reflection in the accounting.

According to the Methodological recommendations, the calculation of depreciation of fixed assets and other non-current assets using the straight-line method at the beginning of the year is provided for the calculation of depreciation of non-current assets. №. 4.4 s.-g. This form indicates: inventory number, classification group, type and name of the object, date of posting, initial cost, liquidation value, residual value, period of useful use of the object, amount of wear and tear (amortization), distribution of wear and tear (amortization) by item accounting objects (name of sub-accounts and analytical accounts), corresponding account.

In order to calculate the depreciation of fixed assets and other non-current assets that have been received or withdrawn, the monthly compilation of the relevant Statement is provided № 4.5 s.-g.). This document indicates the type of fixed assets by classification groups and corresponding accounts, the amount of depreciation for the objects received and removed. For those fixed assets and other non-current material assets that have arrived, the amount of depreciation is added up to the previous month, and for those that have been eliminated, it is deducted [4].

Based on the calculation of depreciation of fixed assets and other non-current assets using the straight-line method (№ 4.4 s.-g) and Information on the calculation of depreciation of fixed assets and other non-current assets that have arrived or left (№ 4.5 s.-g) .) the statement of depreciation of fixed assets and other non-current assets is drawn up (№ 4.6 s.-g.). It records the distribution of depreciation by accounting objects, the accrued amount of depreciation for the past month, changes in the amount of depreciation on incoming and outgoing objects, and the amount of depreciation accrued in the current month [2].

Synthetic accounting of depreciation is proposed to be kept in the Journal-order № 4A of the year. Entries to the credit of account 13 "Depreciation (amortization) of non-current assets" are made on the basis of Notice № 4.6 of the current year. Credit turnover is transferred to the General Ledger.

Schematically, the proposed procedure for displaying the accrual and accounting of depreciation of fixed assets in accounting registers can be shown in figure 2.

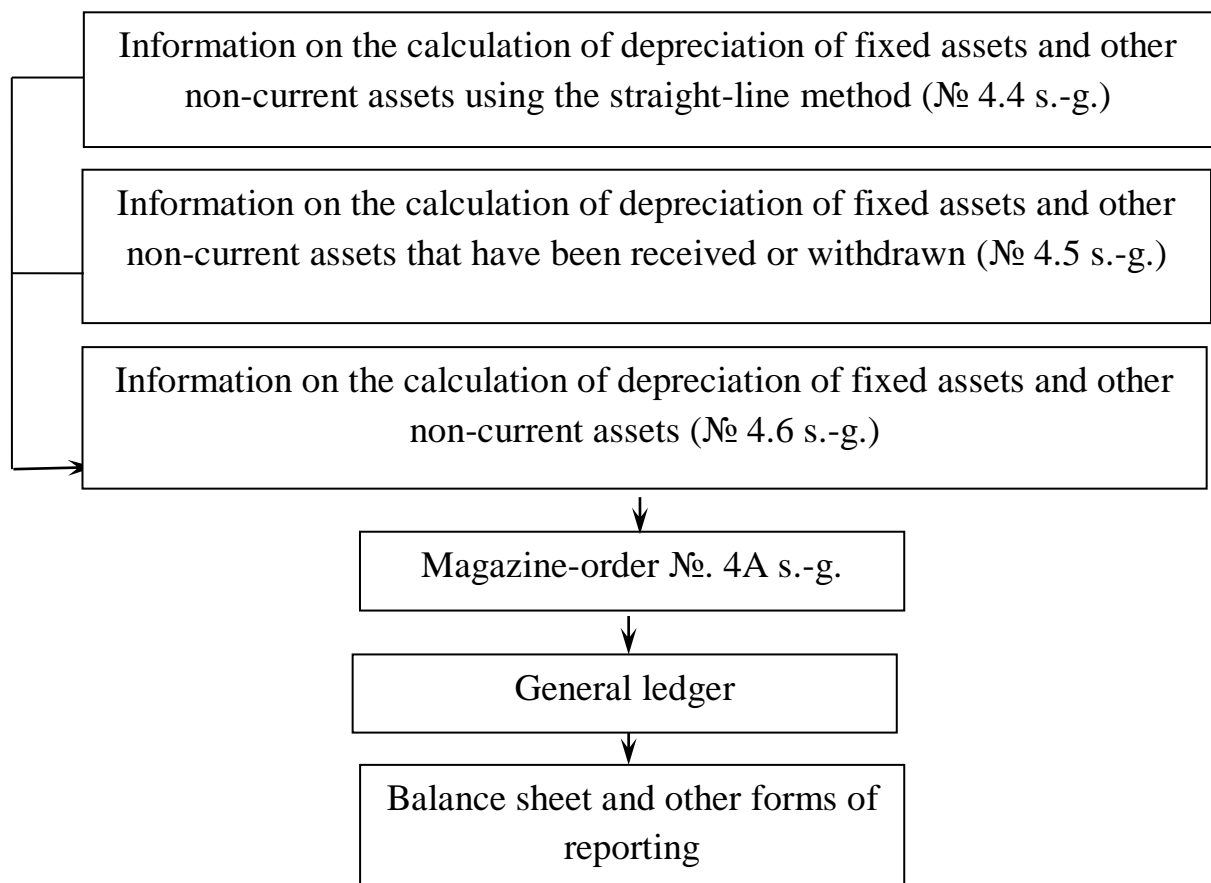


Fig. 2. The proposed scheme for displaying depreciation in accounting registers

When choosing a company's depreciation method, the following provisions should be taken into account:

1) if fixed assets bring more income at the beginning of their useful life, then accelerated depreciation methods should be used. This is explained by the fact that in

the first years of operation, productivity is the highest, and at the end of the operation period, repair costs increase;

2) if the future dynamics of income is closely related to the actual volume of production during the useful life, then the production method should be used;

3) in the case of impossibility of predicting with a sufficient degree of reliability the dynamics of subsequent costs, the method of calculating depreciation can be chosen, based on the simplicity of calculations, which contributes to the reduction of accounting costs.

Therefore, to improve the depreciation policy, you should:

- to allow enterprises to independently choose and change the depreciation method with the notification of the tax authorities before the beginning of the tax year, as well as to independently choose the period of reimbursement of the initial cost when applying accelerated depreciation;

- introduce control over the targeted use of depreciation funds in the event that enterprises choose non-linear depreciation methods;

- treat depreciation as an economic process based on the rational service life of fixed assets.

Due to the fact that the depreciation policy is an integral part of the accounting policy, it is aimed at increasing the efficiency of production and raising the results of the organization's activities. The amortization policy at each specific moment of time provides for certain adjustments depending on the formed situation and the economic strategy for the future [1].

When developing the depreciation policy, the company must adhere to the following principles:

- timeliness and correctness of revaluation of fixed assets, especially in conditions of inflation;

- differentiation of terms of useful use and, accordingly, depreciation rates depending on the functional purpose of fixed assets;

- accounting for their moral and physical wear and tear;

- provision due to depreciation deductions of not only simple, but also extended reproduction of fixed assets;

- ensuring the targeted nature of the use of depreciation deductions at the enterprise;

- the possibility of accelerated depreciation by the enterprise;

- stimulation of timely renewal of fixed assets and acceleration of scientific and technical progress.

Based on the essence, purpose and objectives of the depreciation policy, it can be concluded that it plays an important role in the performance of any enterprise. Depreciation policy is a powerful lever of influence on the economic processes taking place. The process of restoring non-current assets and forming the company's depreciation fund is not only an accounting problem.

Financing of the timely renewal of the enterprise's production capacity does not depend on the accounting correspondence of the accounts. This is a question of the methodology of the depreciation calculation process in general. The main

obstacle to the formation of a real amortization fund of the enterprise is the insecurity and uncontrollability of this item of expenses. Control of the correctness and timeliness of amortization is carried out only during the verification of income tax amounts.

In enterprises with a simplified taxation system, the process of calculating depreciation and forming a real depreciation fund is not controlled. This problem can only be solved by joint actions on the part of state and regulatory bodies and the enterprise itself. In the period of economic crisis, it is proposed to use stimulating levers of influence on the economy of the enterprise by the state in the form of preferential taxation. Also, stimulation can be carried out through a favorable interest rate for crediting the process of updating non-current assets of the enterprise [4].

The change in the fundamental economic foundations of economic relations in Ukraine led to a qualitatively different approach to the assessment of the enterprise's economic information regarding depreciation accounting. Primary accounting is traditionally the main source of such information. One of the most important aspects of improving the primary accounting of depreciation of fixed assets is its proper organization, which must comply with the main principles of current legislation, ensure the adaptation of accounting to existing business conditions and anticipate the needs of a wide range of users in quality information. Therefore, the theoretical and methodological issues of the organization of the primary accounting of depreciation of fixed assets are of significant scientific and practical interest.

Effective simple reproduction of fixed assets requires great efforts on the part of the enterprise. It is necessary not only to correctly invest investment resources in fixed assets at the beginning of the implementation of a certain project, but also to be able to return them in such a way as to be able to restore the assets lost as a result of the operation and continue to work efficiently with the aim of obtaining the desired level of profit and public benefit, and this confirms the importance system of organization of primary accounting of accrual and distribution of depreciation in the context of reproduction of non-recyclable material resources. Primary accounting is one of the stages of economic accounting, at which an economic phenomenon or process is recorded on the primary media of accounting information, which in the future ensure obtaining the necessary data for the management of certain economic objects, the implementation of control over economic phenomena and processes for the analysis of activity and a real assessment of the company's performance.

In order to manage the depreciation policy, the enterprise forms the following tasks for the primary accounting of depreciation of fixed assets, such as:

- definition of depreciation as costs included in the cost of production and as a source of accumulation of funds for reproduction of fixed assets;
- justification of the feasibility of using a certain method of calculating depreciation of fixed assets;
- approval in the order on the accounting policy of the chosen method of calculating depreciation;
- documentation of transactions with fixed assets, in particular, on the calculation of depreciation;

- formation of a system of primary documents based on the implementation of economic transactions for the accrual and distribution of depreciation;
- display of records of business operations in accounting registers based on primary documents.

The primary accounting of depreciation is part of the general system of accounting for fixed assets, which provides a reflection in the accounting of the performed economic transactions for the accrual and distribution of depreciation of fixed assets. It plays a significant role in the management of depreciation policy, it is important to ensure control over the order of accrual and distribution of the amounts of depreciation deductions aimed at the reproduction of the company's fixed assets and their rational use.

Scientists have different interpretations of their vision of improving the documentation of the procedure for accrual and distribution of amortization deductions. The need to improve primary documents is also due to the fact that they have lost their original meaning and do not satisfy the requirements of information users regarding the company's depreciation policy system in the direction of accrual and efficiency of the use of depreciation funds as the main source of reproduction of the company's fixed assets.

The system of primary accounting of operations for accrual and distribution of depreciation must meet the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the accuracy of information. It should reliably reflect the process of functioning of the system of primary accounting for depreciation of fixed assets. All its indicators must have an unambiguous meaning that does not allow for different interpretations, and also the primary documents must be logically interconnected with each other and function as a comprehensive system of the order of amortization, depending on the method chosen by the enterprise.

The large volume of economic information, which is constantly increasing, requires further improvement of accounting and control and analytical work. In the conditions of manual processing, the quality of information decreases, the terms of its processing are extended, and the increase in labor costs leads to a sharp increase in management personnel.

To improve the organization of accounting, it is necessary to use new management methods and modern technical means of building various information systems. First of all, it is necessary to carry out a radical reconstruction of its technical and informational base based on the introduction of an automated accounting system, which would include automated workplaces of the accountant (hereinafter - AWA) [1]. The appointment of the fixed assets accountant is to perform systematic accounting and control operations:

- automation of primary information documentation;
- operational management, control over the availability and movement of fixed assets;
- issuance of necessary information to print or display screen upon request.

The implementation of automated integrated accounting systems and the distribution of data processing systems will make it possible to comprehensively solve problems not only of accounting, but also of control, analysis and auditing. With the help of such systems, it is possible to evaluate the actual state of the enterprise, as well as forecast and model management decisions.

The automated solution of fixed asset accounting tasks is based on the creation and maintenance of an information base on the availability of fixed assets, which is formed on the basis of the inventory file.

There is no manual processing of information when keeping an inventory file on the accountant's computer.

The technological process of information processing on the accountant's computer consists of the following stages:

- preparation of primary information;
- creation of an inventory file at the time of implementation;
- creation of normative reference information at the time of implementation;
- creation of a data set of the movement of fixed assets;
- making calculations and entering information into the database;
- formation of information for subsequent use;
- analysis of effective information;
- making management decisions based on the obtained results;
- transfer of data to adjacent accounting offices.

Management of each accountant's computer and function selection is carried out autonomously in dialog mode through the main module. The information relationship between different accountants' AWA depends on the territorial location of the accountants' AWA, the characteristics of technical means and information flows. Moreover, several AWA can function on one personal computer.

It is important to ensure the high reliability of the initial data when entering information, therefore, the accountant's computer system should implement the process of automating the detection of errors in the entered data and issuing the corresponding messages.

For analytical accounting of fixed assets, an automated inventory card file is maintained, which displays all the data necessary for management and accounting. With its help, the accountant has the opportunity to analyze the condition of fixed assets, the term of their use, the types and terms of repairs, the amounts of accrued depreciation, the terms and amounts of revaluation, the correctness of the application of depreciation deductions. By reviewing and analyzing analytical data cards, the necessity and load of fixed assets is determined, and if necessary, the return on investment of this inventory object is also determined [3].

Therefore, a comprehensive approach to accounting and management of fixed assets will allow to quickly obtain all the necessary data for a certain period and will significantly raise the level of management of the financial and economic activities of an agricultural company.

With the advent of the Windows operating system, there was a leap in the development of accounting programs. The Windows interface is intuitive, so any new program created for Windows is easy to learn. Such software products include the accounting program "1C Enterprise 8.0". Starting with this version, the 1C company has combined such modules as "1C Accounting", "1C Trade", "Salary+Human Resources". As in any other program that allows you to work with databases, information is placed in rows of tables, the fields of different tables are related. Changes in information in one table cause changes in others. In this way, it is similar to the Access database management program and is actually an add-on on top of it. An indisputable advantage is the possibility of setting up the program for the needs of a specific enterprise [3]

A rational system of primary accounting for depreciation will make it possible to control the order of accrual and distribution of the amounts of depreciation deductions, with the aim of forming a fund of funds for the reproduction of fixed assets.

Harmonization of accounting and tax concepts of depreciation will contribute to the innovative development of business activities. The Tax Code of Ukraine brought the rules for determining depreciation deductions in tax accounting closer to the national P(S)A. The amount of accrued depreciation is significantly influenced by the period of useful use. The given freedom in solving this issue has led to the fact that it can be significantly different at different enterprises for the same objects. The foreign experience of calculating depreciation, in particular in France and Germany, considers the approach progressive when the fixed assets are divided into groups at the legislative level with the establishment of periods of useful use.

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SCIENTIFIC EDITION

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

COLLECTIVE MONOGRAPH

In English

Responsible for the issue is Vasilieva Lesya

Materials are presented in author's edition

*With the total or partial reproduction of materials of this monograph the reference to
the publication is required*

The views expressed in the publication are those of the authors

Format 60x841/16. Cond. prin. sheets. 20,41. Тираж 100 пр. Зам. № 0610/1.

Published in printing House «Standard» (Private entrepreneur «Boyko V.V.»),
st. K. Olga 6a, Dnipro, 49000.