



*Dedicated to 100th  
anniversary of the Dnipro  
State Agrarian and  
Economic University*

**SCIENTIFIC AND METHODOLOGICAL PRINCIPLES OF ACCOUNTING,  
FINANCIAL, INFORMATION AND LANGUAGE AND COMMUNICATION  
SUPPORT FOR SUSTAINABLE DEVELOPMENT OF AGRIBUSINESS  
ENTITIES AND RURAL TERRITORIES**

**COLLECTIVE MONOGRAPH**

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**Reviewers:**

**Nadiia DAVYDENKO** – Doctor of Economics, Professor, Head of the Department of Finance, National University of Life and Environmental Sciences of Ukraine (Kyiv);  
**Svitlana SHULHA** – Doctor of Economics, Associate Professor, Professor of Accounting, Auditing and Taxation, National Academy of Statistics, Accounting and Audit (Kyiv);  
**Borys KOVALENKO** – Doctor of Philology, Associate Professor of the Department of Ukrainian Language, Kamianets-Podilskyi Ivan Ohiienko National University

*Editors-in-Chief:*

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**Lesia VASILIEVA**, Doctor of Science in Public Administration, Professor, Deputy Dean for Research at Dnipro State Agrarian and Economic University

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The monograph examines the scientific problems of building accounting and financial support for sustainable development of agribusiness entities and rural areas. Modern information systems and technologies in accounting, auditing and taxation are considered. The theoretical, organizational and methodological principles of language and professional training of a specialist in agriculture, as well as modern technologies of education in higher educational institutions are revealed.

The collective monograph was published within the framework of the State Budget research topics “Organizational and methodological principles of accounting, reporting and control in the system of economic stability of enterprises” (state registration number 0116U003135) 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), “Language and professional training: linguistic, social, cognitive, communicative, cultural aspects” (state registration number 0116U005132).

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

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*Preface*

Modern economic development of agricultural entities is influenced by a variety of factors, covering a wide range of economic areas, including, inter alia, the organization of accounting, auditing and control in the system of economic sustainability of agricultural enterprises, their informatization, institutional support and strategy of financing the development of the agricultural sector of Ukraine, innovation and investment activities of enterprises.

The agricultural sector of the economy, as part of the national economy, cannot ensure the appropriate level of investment attractiveness of economic entities and rural areas, further innovation and competitiveness of national agricultural production in the world economic system without proper informational presentation of all competitive advantages, features and trends, risks and problems. The quality of information services of managers of different levels, and hence the effectiveness of the functioning of economic entities in general, depends on the coherence and organization of accounting and analytical, financial support.

The materials of the monograph are aimed at scientific research, generalization and development of recommendations on possible ways to solve the main problems of accounting, financial, information and language and communication support for sustainable development of agribusiness entities and rural areas.

Realizing that not all aspects of the research topic have been comprehensively reflected in the collective monograph, and some provisions and conclusions may be the subject of scientific discussion, we hope that the theoretical generalizations, conclusions and recommendations developed in this study will be used by scientists, teachers, graduate students and students of higher educational institutions of agrarian and administrative profiles, employees of public administration and local self-government bodies, entrepreneurs and other interested persons who are interested in this issue.

In this monograph, the authors summarize and supplement the results of many scientific studies and developments on the construction of accounting, financial, information and language and communication support for sustainable development of agribusiness entities and rural areas. The first section of the monograph “Mechanism for ensuring economic security of agribusiness entities and rural areas” is devoted to highlighting the main problems and areas of their solution to ensure economic security of agribusiness entities. Vasilieva Lesia – paragraph 1.1, Kravchenko Mykola – paragraph 1.2 worked on the preparation of this section. The second section, “Development of theory and practice of accounting and public reporting: challenges of the modern times”, highlights the scientific, theoretical, organizational and applied foundations of accounting in the activities of the entity. Pavlova Halyna worked on the preparation of this section of the monograph – paragraph 2.1. The third section of the monograph “Taxation of enterprises in modern economic conditions” highlights current issues regarding the taxation of agribusiness entities and rural areas. Minkovska Alona – paragraph 3.1, Atamas Oleksandr – paragraph 3.2 worked on this section. The fourth section of the monograph, “Financial policy

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necessary for the development of information communications, simplification of settlement and cash services and general planning of operational and strategic activities of trade enterprises.

We would like to add that the formation and use of information and communication resources, the introduction of modern digital products and technologies has a significant impact on all other areas of resource provision of retail enterprises for the sale of construction and household goods and is currently the most promising way to strengthen financial and economic stability. trading company.

Let us point out that the relevance of the formation and effective use of certain components of the resource provision of retail enterprises is directly determined by the passage of the enterprise at a particular stage of development of the potential of its financial and economic stability. In particular, the initial stage is associated with the formation of such potential, when there is the formation of technical, technological and material base, the creation of inventories of the enterprise, the gradual increase of financial assets.

Along with the tendency to strengthen the competitive position of the enterprise in the market, the potential of its financial and economic stability is developing and expanding, the technical and technological base of trade is improving, sales of goods are increasing. However, in the future the dynamics of growth stops, although this period becomes the most productive and profitable for the company, because the investments of previous periods have already been returned by that time, and the level of profitability is high and stable. However, as a rule, at this stage the so-called "development trap" develops, when the total costs of financial and economic activities increase due to the difficulty of managing significant resources and business assets, growing needs for renewal of fixed assets and trade technologies, efficient use internal released financial resources as a result of money laundering and their accumulation in warehouses in the form of less liquid inventories.

Thus, gradually the potential for financial and economic stability of the trading company approaches the period of its decline, which is natural. There is a crisis of lack of resources needed to restore the processes of enterprise development, including trade and technology.

In our opinion, shifting the emphasis towards attracting and effective use of innovation and technological resources on the basis of systemic strategic actions aimed at strengthening the financial and economic stability of the trade enterprise, creates the necessary economic foundations to reject the decline in activity, strengthen the financial and economic potential of the enterprise, ensuring its further expanded growth through the transition to a new stage of its trade and economic activity and the development of a network of retail outlets specializing in the sale of construction and household goods.

#### 4.2. FINANCIAL MANAGEMENT OF NON-CURRENT ASSETS OF THE ENTERPRISE: THEORETICAL FUNDAMENTALS AND DIRECTIONS OF IMPROVING ITS EFFICIENCY

*Larysa Brovko*

*Ph.D. In Economics, Associate Professor, Associate Professor of the Department of Finance, Banking and Insurance, Dnipro State Agrarian and Economic University, Ukraine*

**Summary.** The implementation of economic and financial activities by the enterprise is possible if it has various types of assets. Modern conditions of enterprise management put forward increased requirements for the management and financing of assets. This is due to the fact that the competitiveness of the enterprise, tactical and strategic prospects for its development depend on the efficient use of assets. In conditions of constant lack of financial resources, bankruptcy and liquidation of a large number of enterprises, the problem of more rational and effective application of the enterprise assets and finding directions for improving the efficiency of this process is quite acute.

**Keywords:** non-current assets, enterprise, management, assessment, risks, optimization, provision

The presence of significant crisis trends in the domestic economy, increasing competition and variability of environmental factors encourage the need to find an additional benefit for the company, which will allow a sustainable and efficient existence of the business entity. The key competitive advantage is the production potential of the enterprise, which is an array of opportunities to ensure the most likely output of products with available production resources. Also, an important component of the potential of the production enterprise are non-current assets. Directly from the availability and effectiveness of the use of non-current assets depend on such key indicators of the production and economic enterprise as volumes of production and sales, profitability and so on. It should be noted that in the current situation, one of the key problems in the field of management of non-current assets, is their unsatisfactory condition in terms of efficient operation. Thus, the interpretation of the theoretical and methodological bases of management, financing of non-current assets occupies an important place in the system of scientific research. The place of non-current assets of the enterprise can't be overestimated, because they generate a production and technical and technological basis for all economic processes, create a reliable level of competitiveness of the enterprise. The problem of managing non-current assets, and the means of their financing have always occupied a significant place in the works of well-known foreign and domestic scientists. Researches of scientific works, as well as the practice of economic activity proves insufficient disclosure of extremely important issues related to the formation of a policy of effective non-current financing assets, including the specifics of the agricultural sector. The key characteristics of the financial management of non-current assets of the enterprise, as well as the search for ways to improve it, were investigated by

representatives of foreign and domestic economic science. Significant contribution to the study of this issue was made by the following scientists: Atamas G.P, Bogdanyuk O.V, Bradul O.M, Brovko L.I, Gorodyanska L.V, Klimova O.S, Mazurkevich I.O, Oliynyk O.V, Romanenko M.A, Semenov A.G, Podderogin A. and others.

So, the key issues of comprehensive financial management of non-current assets of the enterprise, as well as finding directions for its improvement in today's realities are extremely relevant and require further scientific research and justifications.

The modern functioning of domestic enterprises is explained by extremely difficult conditions, caused not only by the political situation in the country, which led to the instability of the national currency and a decrease in the purchasing power of the consumer, as well as the simultaneous expansion of foreign producers who are gaining an increasing share of the national market.

Sheremet O.O draws attention to the fact that: "Under the influence of the aforementioned factors, competition in the market increases when ensuring stability is transformed into the survival of domestic enterprises. An important guarantee of success today is not just to maximize profits, but to maintain stability in the financial, investment and economic activities of the enterprise. Provision of the production process with non-current assets in the optimal amount and effective management are necessary conditions for stabilization and normal functioning. However, for effective management of non-current assets, you must first clearly define the essential characteristics of this economic category" [38].

Golov S.F notes: "In foreign practice, the concept of non-current assets is defined differently. In Switzerland, non-current assets in the balance sheet asset are combined into one group - fixed assets; in Russia - current assets, which include intangible assets, fixed assets and profitable investments in tangible assets, in Germany - fixed capital and financial assets; in Estonia - fixed assets (long-term financial investments, tangible fixed and intangible assets); in Egypt - fixed (fixed assets), moral (intangible assets) and resource capital (natural resources)" [10].

There is no generally accepted interpretation of the content of the category of non-current assets. This can be explained by the presence of a large number of approaches to the definition of this category, indicating the evolution of views in economic theory. Despite many opinions, in determining the nature of non-current assets, scientists, according to their beliefs, usually fall into two groups. One group believes that non-current assets are the property value of the enterprise, the other group - that they are tangible and intangible resources. However, summarizing the statements of researchers, we can say that intangible assets are assets which are reliably expressed in their value, used by the company for a long time (more than one year) and which are expected to be useful in the future.

Thus, on the basis of the study of literature sources we can identify the main characteristics of non-current assets of the enterprise Figure 1.

It is also worth noting that only some scientists such as Dyba V.M and Saymon V.S emphasize that "In the process of useful long-term use in production and economic activities, non-current assets transfer their value to the value of

manufactured products" [14].

We believe that the accrual process is interrelated with the process of holding and applying non-current assets, so the emphasis on translating the cost is mandatory. In addition, we consider it necessary to supplement the list of objects of cost transfer - products of manufactured cost - also at the cost of services of provided goods etc.

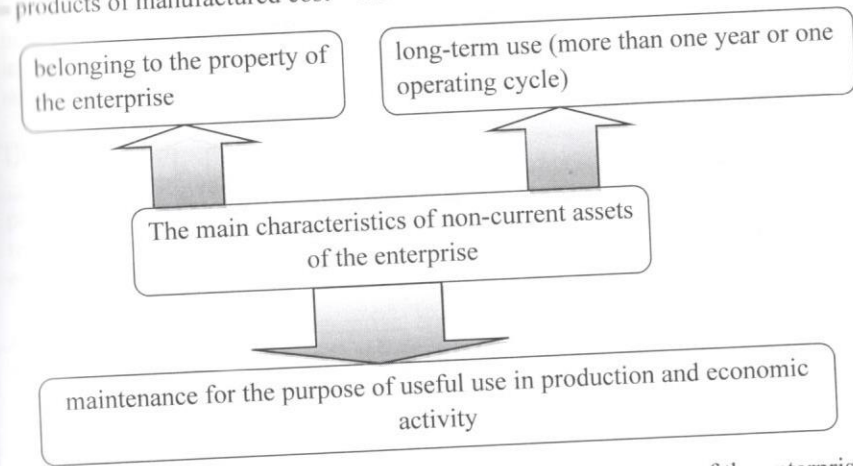


Fig. 1 The main characteristics of non-current assets of the enterprise

Domestic regulatory sources also interpret the essence of certain categories of economic, as well as non-current assets, the branching of which is represented in Figure 2.

Summarizing the interpretation of the essence of non-current economic assets presented in domestic, regulatory and legal sources, it is appropriate to emphasize that non-current assets should be understood as assets used by the enterprise in its management for a certain period of time (more than one year), and after application of which the company will receive economic benefits in future periods; and their value can be reliably determined.

It should be noted that in accounting the non-current assets include:

- fixed assets;
- other non-current tangible assets;
- intangible assets;
- long-term financial investments;
- long-term receivables;
- deferred tax assets;
- goodwill.

According to P(C)BO 7 "Fixed assets": "fixed assets include tangible assets which the company holds for use in the production process, the expected useful life (operation) of which is more than one year (or operating cycle, if it is longer than a year)" [25].

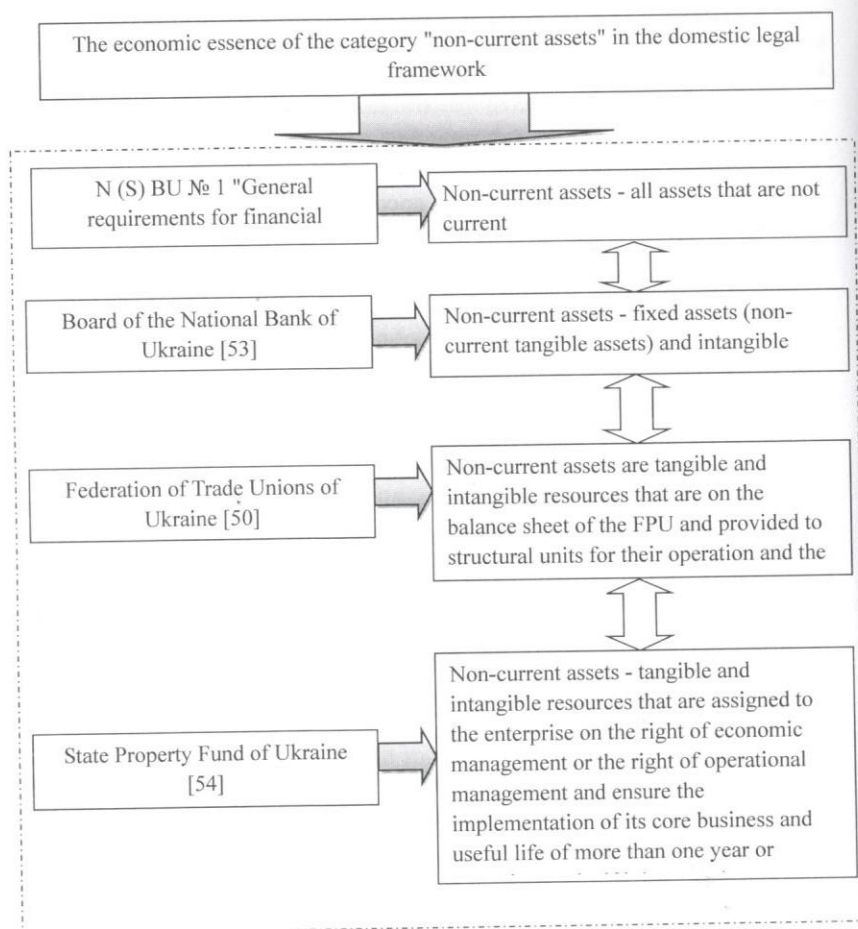


Fig. 2. The economic essence of the category «non-current assets» in the domestic legal framework.

P(C)BO 8 indicates that "Such tangible assets may be buildings, structures, transmitting devices, machinery and equipment, vehicles, tools, Device's appliances, inventory, working and productive livestock, perennial plantings and other fixed assets. Other non-current tangible assets include such tangible assets as library funds, low-value non-current assets, temporary (untitled) buildings, natural resources, inventory containers, rental items, etc. An intangible asset is a long-term investment in the acquisition of industrial and intellectual property, as well as other similar property rights, which are recognized as the object of ownership of a particular enterprise and bring income in a particular period of time. Industrial property objects include the right to invention, industrial designs, trademarks and service marks" [26].

According to Bogdanyuk O.V: "Intangible assets are the most important components of enterprises, they can act as a guarantor of their presence, competitiveness, which will ensure a constant profitability of leading companies and enterprises. On the one hand, intangible factors are increasingly used in all fields of activity (capable of enacting the mechanism of innovative development), and on the other - still find their theoretical understanding by scientists and legal design by legislators. Currently, the situation in the field of intangible asset management in enterprises remains imperfect" [6].

Homyak R.L considers that "It is primarily due to the following problems in Ukraine:

1) accounting legislation narrows the composition of intangible assets, in particular, including the costs of creating many intangible assets at the expense of the reporting period; the method of accounting for some intellectual property is completely absent;

2) simultaneously with the existence of intangible assets, which in the economic activity of the enterprise are either owned or licensed (as loans), the methodological approach to the reflection of intangible assets in the reporting is the same, which leads to an increase in property value (from the cost approach) and does not provide an objective assessment for those users who cannot request additional information;

3) quite often the accounting value of intangible assets is much lower than the market value, which leads to a decrease in the property status of the enterprise, because in accounting, as a rule, is used a cost approach;

4) unique intangible assets are often not included in the balance sheet, for example, goodwill is not included in the balance sheet of the enterprise until the act of purchase and sale of the enterprise" [35].

In practice, non-current assets include property values of all types with a useful life of more than one year and a value of more than 15 minimum tax-free incomes.

It should be emphasized that fixed assets are the most significant part of non-current assets that are held by the company for use in the production process or the supply of goods, services, works, leased to others, or in order to implement the administrative and socio-cultural, functions, the estimated useful life of which is more than one year.

Sheremet O.O notes that: "Do not belong to fixed assets:

- items with a service life of less than one year, regardless of their value;
- special tools and special devices of enterprises of serial and mass production of certain products or for the individual production regardless of their cost;
- special clothing, special footwear, as well as bedding, regardless of their cost and service life;
- uniforms intended for delivery to employees of the enterprise, regardless of cost and service life.

The fixed assets of the enterprise include:

Fixed production assets - part of fixed assets that participates in the production process for a long time, while maintaining its natural shape. The cost of fixed

production assets is transferred to the product gradually, in parts, as you use. The restoration of these funds is carried out through capital investments” [38].

Buryak P. Yu. emphasizes that “fixed assets, taking into an account of their production purpose are divided into the following groups:

A. Buildings and structures. These include - houses of main, auxiliary, service shops, depots, garages of industrial enterprises, design bureaus, offices, lifting and open mountain mining, oil and gas cracks, chimneys and water towers on separate foundations, roads for all types of transport inside enterprises, dams, canals.

B. Transmitting devices. These include - water distribution devices, power transmission and communication facilities, sewage facilities, gas pipelines.

C. Machinery and equipment. These include - working machines and equipment, measuring and regulating devices, laboratory equipment, computers, vehicles.

D. Production and household equipment. These include - mechanized and hand tools of all kinds: cutting, pressing, percussion, as well as all sorts of devices, various items of economic and production nature.

E. Other fixed assets. Non-productive fixed assets- residential buildings and other objects of socio-cultural and household services, which are not used in economic activities and are on the balance sheet of the enterprise” [33].

Unlike fixed assets, non-productive fixed assets do not participate in the production process and do not transfer their value to the manufactured product. Recovery is realized at the expense of the profit which remains at the disposal of the enterprise.

Podolska V.O and Yarish O.V determine: “The structure of fixed assets - is the ratio of their individual groups. The company is interested in the optimal increase in the share of the active part of the means of production. The structure of fixed assets is influenced by:

- production and material-technical features of the industry;
- forms of social organization of production;
- forms of reproduction of fixed assets;
- level of automation and mechanization;
- climate and geographical conditions of accommodation” [24].

The value of non-current assets of the enterprise depends on the number of financial resources that it owns. The structure of coverage of assets by sources of formation directly affects the financial condition of the enterprise. Optimally formed, non-current assets due to a certain structure of financial resources allow the company to work constantly, maintain a sufficient level of solvency, and also have a certain reserve of funds for rapid response to unforeseen situations, when suddenly there is a need to pay their debts.

Sheremet O.O notes that “Sources of formation of assets of the enterprise are financial resources, which can be defined as a set of funds that the company was able to concentrate at a certain time to carry out its statutory activity by investing these funds in the assets of the enterprise to ensure expanded reproduction and financial performance obligations. The main criteria for the effectiveness of asset formation

are the financial stability and liquidity of the enterprise. Financial stability is a state of financial resources in which the company, freely maneuvering funds, is able to use them effectively to ensure a continuous process of production and trade, as well as - the cost of its expansion and renewal” [38].

In turn, Davidenko N.M emphasizes that: “The presence of the company's own capital is compliance with the minimum condition of financial stability. There are four types of financial stability:

- 1) absolute stability, to ensure stocks, the own working capital is enough.
- 2) The solvency of the enterprise is guaranteed; normal stability to secure stocks, in addition to own working capital, attract long-term loans and borrowings.
- 3) The solvency of the enterprise is guaranteed; unstable financial conditions to secure stocks, in addition to working capital and long-term loans and borrowings, short-term loans and borrowings are attracted.
- 4) The solvency of the enterprise is violated, but it can be restored; financial crisis - to ensure stocks there are not enough sources of their formation. The company is facing bankruptcy.

Liquidity of the enterprise - is its ability to convert financial or tangible assets into cash, in order to timely fulfill the obligations” [13].

Indicators of the state and effectiveness of the use of fixed assets should be generated in three groups, which characterize:

- 1) providing funds to fixed enterprises;
- 2) the state of fixed assets;
- 3) Effective application of fixed assets.

Indicators that describe the provision of the enterprise with fixed assets are:

- capital intensity;
- capital adequacy,
- the ratio of the value of real fixed assets in the property of the enterprise.

Capital intensity is the inverse of the return on assets. This indicator makes it possible to determine the value of fixed assets per hryvnia of manufactured products and describes the provision of the enterprise with fixed assets. Under normal conditions, the capital efficiency should increase, and the capital intensity should decrease.

The provision of the enterprise with fixed assets is determined by the level of labor capital. The latter is calculated as the value ratio of the fixed assets to the number of employees.

According to Korneva N.O: “The Factor of the real value of fixed production assets in the property of the enterprise is defined as the ratio of the value of fixed production assets (less the amount of their depreciation) to the value of the property of the enterprise. If the ratio of the real value of fixed production assets in the property of the enterprise reaches a critical mark (0.2 - 0.3), the real production potential of the enterprise will be low and it is urgent to seek funds to remedy the situation” [17].

The state of the fixed production assets is explained through the following ratios:

- depreciation of fixed assets;
- suitability;
- updates;
- disposal (increase) of fixed assets.

The depreciation ratio explains the share of the value of fixed assets, which is written off against production costs in previous periods. The depreciation ratio is interpreted as the ratio of the amount of depreciation of fixed assets to the book value of fixed assets.

$$K_3 = \frac{3_0}{\Phi_K}, \quad (1)$$

where  $K_3$  - depreciation rate of fixed assets;  
 $3_0$  - the amount of depreciation of fixed assets;  
 $\Phi_K$  - book value of fixed assets.

The ratio of suitability shows what part of the fixed assets is suitable for operation in the course of economic activity.

Renewal and disposal rates are calculated by the formulas:

$$K_0 = \frac{\Phi_Y}{\Phi_K}, \quad (2)$$

$$K_B = \frac{\Phi_B}{\Phi_K}, \quad (3)$$

where  $K_0$  - the rate of renewal of fixed assets;  
 $\Phi_Y$  - the cost of fixed assets for the reporting period;  
 $K_B$  - disposal rate of fixed assets;

$\Phi_B$  - of property, plant and equipment for the reporting period. The value of output of fixed assets for the reporting period.

According to Mnykh E.V.: "The ratio of renewal of fixed assets characterizes the intensity of commissioning of new fixed assets. It shows the share of fixed assets entered for a certain period in the total value of fixed assets at the end of the reporting period. The disposal ratio shows the intensity of disposal of fixed assets, that is the degree of disposal of fixed assets that are either obsolete or worn out and unfit for further use. A positive situation in the enterprise activity is when the value of fixed assets put into operation, exceeds the value of disposed fixed assets. To do this, calculate the growth rate of fixed assets" [19].

$$K_p = \frac{\Phi_Y - \Phi_B}{\Phi_K}, \quad (4)$$

Indicators that describe the efficiency of the use of fixed assets: return on assets, profitability of fixed assets, profit per hryvnia of fixed assets.

The most complete indicator, which describes the effectiveness of the use of fixed assets, is the return on assets.

$$\Phi_E = \frac{B_n}{\Phi_K}, \quad (5)$$

where  $\Phi_E$  - return on fixed assets;

$B_n$  - the cost of products produced during the reporting period;

$\Phi_K$  - the value of the carrying amount of fixed assets at the end of the reporting period.

An indicator of the relative effectiveness of the use of fixed assets is profitability. This indicator is calculated by the formula:

$$P_\Phi = \frac{\Pi_2}{\Phi_K}, \quad (6)$$

An indicator of the absolute effectiveness of the use of fixed assets is the amount of profit per hryvnia of fixed assets.

An indicator of the effectiveness of the use of fixed assets is still an indicator of the weight of the specific active part of fixed assets in their total amount.

According to Agres O.G: "Non-current assets are an important element for the functioning of any enterprise. Condition, as well as rational and efficient use in the future affect the final results of economic activity of enterprises" [1].

Let's analyze in more detail the sources of formation of non-current assets of the enterprise.

There are own and involved sources of formation of non-current assets. Own sources of formation include:

- authorized capital;
- additional capital;
- depreciation deductions;
- net profit of the enterprise.

The authorized capital of the enterprise is the initial amount of funds invested by the founders (owners) in the joint venture for the purpose of the organization, as well as the right to conduct business is assigned to them.

Momot T.V considers that: "Additional capital - displays promotion in the value of non-current assets. Additional capital is essentially part of the equity of the enterprise and it includes the amount of fixed assets for the valuation of capital construction and other tangible assets of the organization with a useful life of more than 12 months, which is carried out in the prescribed manner, as well as the amount, received in excess of the nominal value of the placed shares (issue income of the joint-stock company), and other similar amounts" [20].

Depreciation deductions represent the financial result of a fixed transfer of the value of fixed assets, representing for the company additional sources of own funds used to finance activities.

Semenov A.G and Yusypchuk L.A claim: "Net profit - the amount that will remain at the disposal of the enterprise after reimbursement of expenses of production, taxes and other payments. It is customary to include internal production reserves (internal economic) as own sources of financing - these are the sources introduced by the enterprise to increase the efficiency of activities. To cover the need for fixed assets in specific situations for the company there is a need to turn to borrowed sources. This need may occur due to external reasons that do not depend on the company. These can be unreliability of partners, emergencies, reconstruction and technical re-equipment of production, lack of necessary start-up capital, seasonality in production, procurement, processing, supply and sale of products, etc." [32].

According to Shchepit T.G: "Borrowed capital, or so-called borrowed sources of non-current assets - is attracted to finance the development of the enterprise on a revolving basis, cash and other property. Fixed capital plays a huge role in all areas of

the economy, actively participates in modern transformations in all sectors of the economy related to the economic and political environment, as well as the technological level and organizational structure. The formation of non-current assets is a set of tangible assets that operate in the field of material production and non-productive sphere. Non-current assets are the property of the enterprise and form its main part. It should be concluded that fixed capital is primarily considered as part of the financial resources of the enterprise invested in all types of non-current assets, used for the implementation of production and economic activities for profit" [39].

Thus, by studying the sources of non-current assets, you can find an important difference between them. At the time of receiving the loan capital, the company clearly knows how much and when it will have to give money, as well as what additional percentage of return on funds received it must pay. When receiving equity, owners (shareholders) may not know how much money the capital will bring them in the future. Thus, the company in the process of its activities can use all available sources (own, borrowed), while ensuring its financial stability, development, and increase profits.

The effectiveness of industrial and economic enterprises depends on the structure and intensity of their fixed assets. Thus, the key area of work in the field of financial enterprise is the explanation and selection of appropriate sources of funding for the acquisition and use of fixed assets, assessment of performance of their use, the generation of effective depreciation and investment policy.

Mocherny S.V states that: "Nowadays, conditions of most small and medium-sized enterprises are largely losing their positions due to outdated technology, as well as significantly depleted production capacity. One of the main problems at such enterprises is the lack of high-quality and timely renewal of intangible assets, which in turn would increase the productivity of their activities. Effective management of non-current assets at the enterprise, in addition to increasing competitiveness, allows you to create a strong foundation for the enterprise and the conditions for its effective development in the future. It is necessary to plan and analyze in detail each of the indicators of the balance sheet of the enterprise, as well as pay attention to their comparison with each other" [21].

Brovko L.I and Iterman G.A emphasize that: "Non-current assets management policy is a system of actions based on clearly formed principles, which determine the direction and amount of financing of non-current assets, form the necessary funds from available sources of financing using various methods and forms of financing to ensure the optimal structure of resources, creation of conditions for effective implementation of trade and technological processes both in the long-term and in the short-term periods of activity" [16].

Blank I.A. insists that: "Operating non-current assets formed at the initial stage of the enterprise's activity require constant management. This management is carried out in various forms and various functional divisions of the enterprise. Part of the functions of this department is entrusted to financial management" [5].

Podderogin A.M in turn states: "The main tasks of non-current assets management are: identification of possible forms of renewal of fixed assets on a

simple and extended basis; determining the need for non-current assets to increase production; ensuring the effective use of previously formed and newly introduced fixed assets and intangible assets; formation of the necessary financial resources for the reproduction of non-current assets and optimization of their structure" [23].

Also, Mazurkevich I.O notes: "Regarding the organization of assets by sources, an important rule should be noted: sources of current assets should be short-term liabilities, and sources for non-current assets - long-term liabilities. This rule is explained by the fact that non-current assets by definition belong to the category of low-liquidity assets, whose payback is often longer than the payback of current assets, therefore - they should not be financed by short-term borrowed funds. Non-current assets are quite diverse in their composition, so they can be classified depending on many characteristics. For example, there are active and passive fixed assets (components of non-current assets), productive and non-productive assets, and so on. Non-current assets are harmoniously combined with current assets in the process of enterprise operation (in production and in general economic activity); in addition, some items of non-current assets even resonate with items of current assets (long-term receivables, long-term financial investments, etc.). But like current assets, non-current assets also have their advantages and disadvantages" [18].

The key components of the assets of non-current enterprises will be considered on Figure 3.

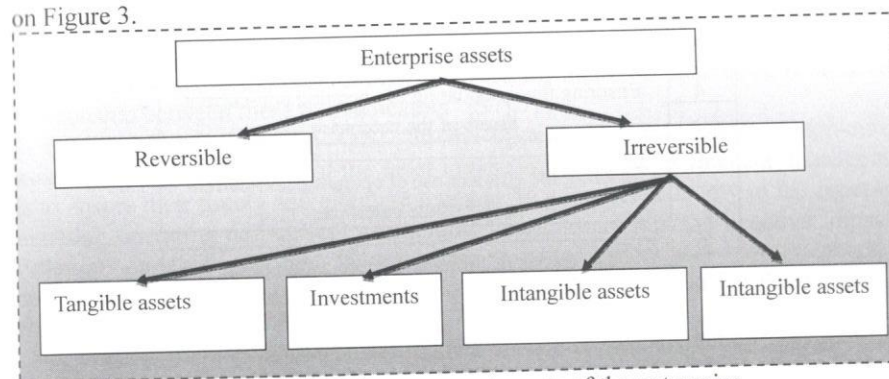


Fig. 3. Key components of non-current assets of the enterprise

While developing a general strategy of a financial enterprise in creating a timely recovery and effective use of non-current assets, it is important to form a policy for managing non-current assets, which generates the following stages:

- analysis of non-current assets of enterprises;
- optimization of the volume and composition of non-current assets at the enterprise;
- ensuring the correct depreciation of the accrual;
- optimization of forms and sources of financing of non-current assets.
- ensuring timely renewal of non-current assets and their effective use.

The analysis is carried out to study the dynamics of the total volume and

composition of non-current assets, the degree of their suitability, the intensity of recovery and efficiency.

The main stages of management of operating non-current assets of the enterprise will be considered on Figure 4.

Among the main reserves- the increase of the production use of non-current assets over time and the increase of the production use of non-current assets by capacity.

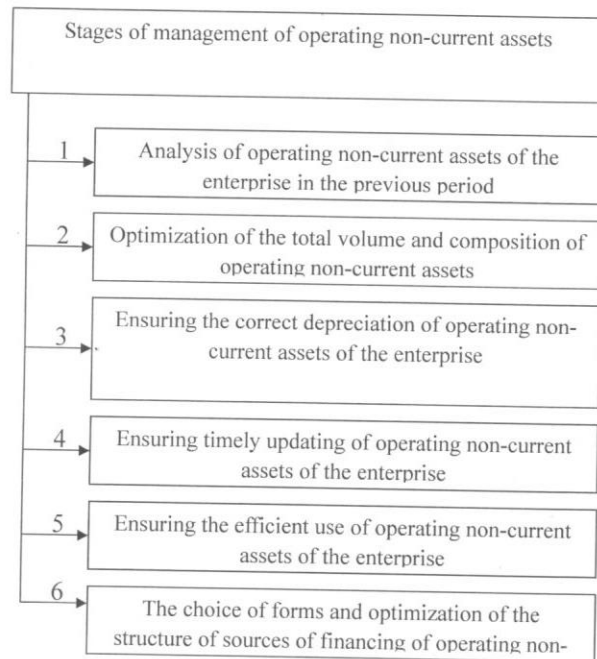


Fig. 4. The main stages of management of operating non-current assets of the enterprise

Depreciation is charged over the useful life of the corresponding asset. An important role in ensuring the accrual of depreciation is played by the compliance of the selected depreciation methods with the policy of formation of financial resources for recovery of these assets.

Romanenko M.A notes: "Given the depreciation of non-current assets, it is necessary to ensure their recovery in time. For these purposes, the company needs the level of intensity of recovery of certain groups of operating non-current assets, calculates the total amount of assets to be restored in the future, sets the basic forms and cost of recovery of various groups of assets" [30].

Consistency of management decisions on renewal of non-current assets is shown in Figure 5.

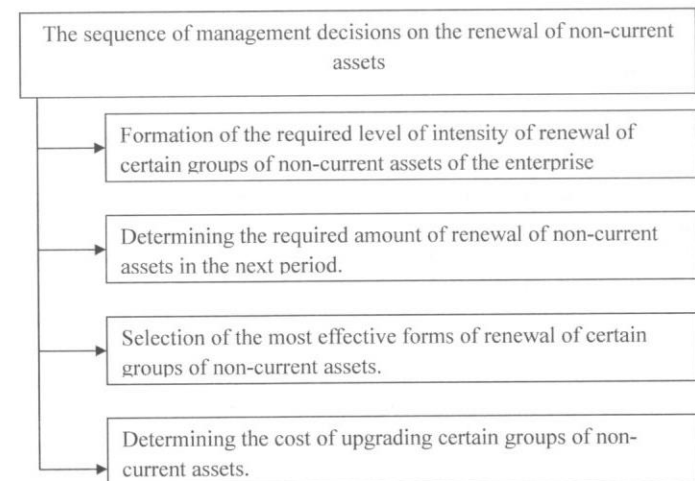


Fig. 5. Consistency of management decisions on renewal of non-current assets

Shvets V. emphasizes: "Ensuring the effective use of non-current assets of the enterprise is to develop a system of measures aimed at increasing the coefficients of profitability and production return of non-current assets. Increasing the efficiency of the use of non-current assets reduces the need for them, because there is an inverse relationship between these two indicators" [37].

According to Ivanilov O.S: "In the system of management of non-current assets of the enterprise one of the most important functions of financial management is to ensure their timely and effective renewal. In a market economy in the process of updating operating non-current assets must take into account the negative impact of inflation on this process. In economic practice, there are two methods of counteracting the negative effects of inflation: periodic indexation of fixed assets and the use of accelerated depreciation" [15].

Management decisions on the renewal of non-current assets are implemented in 4 stages. The first stage is the formation of the required level of intensity of recovery of certain groups of non-current assets of the enterprise, which is determined by two main factors: their physical and functional (moral) depreciation.

The depreciation policy of the enterprise is an integral part of the general policy of management of non-current assets. In the process of forming the company's depreciation policy, the following factors are taken into account: the amount of operating fixed assets and intangible assets, methods of reflecting their real value, the actual useful life of these assets, inflation, depreciation methods permitted by law and more.

Hetman O.O states: "The next step in making a decision- is to determine the required amount of recovery of non-current assets in the future. Restoration of non-current assets of the enterprise can be carried out on a simple or extended basis, reflecting the process of simple or extended reproduction. At this stage, the decision

is influenced by such factors as the presence of non-current assets in the enterprise at the moment and their compliance with the needs of the enterprise, the degree of their wear, the company's strategy and more. The third stage is the selection of the most effective forms of recovery of certain groups of non-current assets. Specific forms of recovery of certain groups of assets are determined taking into account the nature of their planned reproduction. Simple reproduction is carried out in the forms of current or overhaul and acquisition of similar fixed assets, advanced reproduction - construction of new, reconstruction or modernization of existing fixed assets" [8].

The last step is to determine the cost of recovering certain groups of non-current assets in terms of its various forms. Methods of determining the cost of reimbursement of non-current assets are differentiated by individual forms of recovery.

The final results of the above management decisions allow to form a general need to restore the existing non-current assets of the enterprise in terms of their individual types and various forms of future recovery.

Savitska G.V notes: "Financing of non-current assets of the enterprise is carried out according to the following options: use of capital of the enterprise, use of borrowed capital and mixed financing. The choice of the appropriate option of financing the restoration of non-current assets of the enterprise as a whole is made taking into account the following main factors: the sufficiency of their own financial resources to ensure the economic development of the enterprise in the future; the value of a long-term financial loan in comparison with the level of profit generated by renewable types of non-current assets; the achieved ratio of the use of equity and debt capital, which determines the level of financial stability of the enterprise; availability of long-term financial credit for the enterprise" [31].

In the process of financing the restoration of certain types of non-current assets, one of the most difficult tasks of financial management is the choice of alternatives - the acquisition of these assets for ownership or lease of these assets.

Also, Savitskaya G.V draws attention to the fact that: "An alternative to acquiring non-current assets is leasing them. The main advantages of leasing are: the ability to use new equipment without significant one-time costs; no need to start payments immediately; no need for additional guarantees, as the security of the agreement is the equipment itself, etc. The criterion for making management decisions on the purchase or lease of certain types of fixed assets, along with the assessment of the above advantages and disadvantages of leasing and their significance for the company from the standpoint of financial management, is a comparison of total payment flows for different forms financing recovery of property" [31].

Leasing transactions are conducted on the basis of a leasing agreement in the form of a multilateral or bilateral agreement. The scheme of leasing operations is given in Figure 6.

Summing up, we note that non-current assets in the enterprise are the basis of its operation. Their management determines the success of each business entity and the prospects for its further development.

Rational management of non-current assets in the enterprise in accordance with theoretical principles is carried out through a number of stages. Timely renewal of non-current assets and selection of optimal forms of their financing allows the company to be competitive.

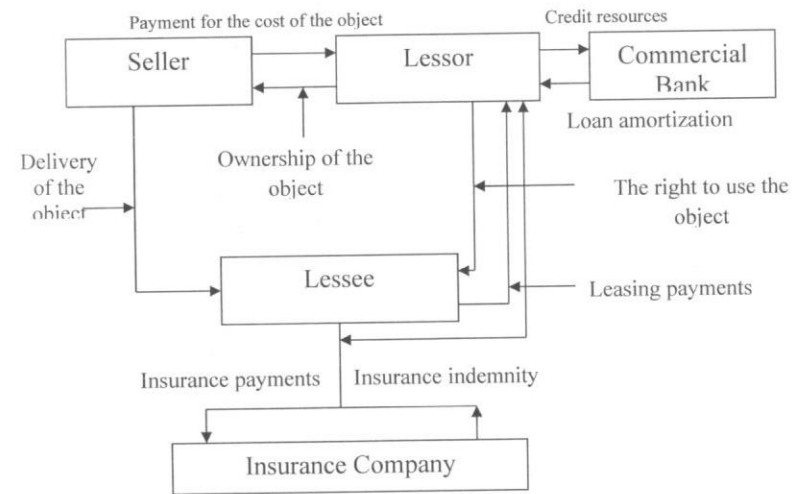


Fig. 6. Scheme of leasing operations

Thus, in the system of asset management of non-current enterprises, one of the most important functions of financial management is to ensure their timely and effective renewal. In a market economy in the process of updating existing non-current assets must take into account the negative impact of inflation on this process.

In market conditions, the problem of financial support for the reproduction of fixed assets of agricultural enterprises becomes particularly relevant. Economic transformations in Ukraine have led to a deterioration in the quality of fixed assets of agricultural enterprises. The formation of the optimal structure of sources of financing the reproduction of fixed assets is a prerequisite for increasing the competitiveness of agricultural enterprises, so the problems of forming sources of reproduction of fixed assets of enterprises deserve special attention.

Arefieva O.V notes: "To increase the degree of economic efficiency of agricultural enterprises, as well as the intensive conduct of agricultural production, it is necessary to ensure the continuous reproduction of fixed assets. It is known that the sources of simple reproduction of fixed assets in the enterprise are depreciation and profit. But most agricultural enterprises do not use profits to reproduce fixed assets, so the main and only internal source of funding for the renewal of fixed assets is the depreciation fund" [3].

The nature and functions of depreciation deductions operate through a number of components, the interaction of which determines the content of the depreciation policy of the state and the enterprise. The main components of the depreciation policy of the agricultural enterprise are presented at Figure 7.

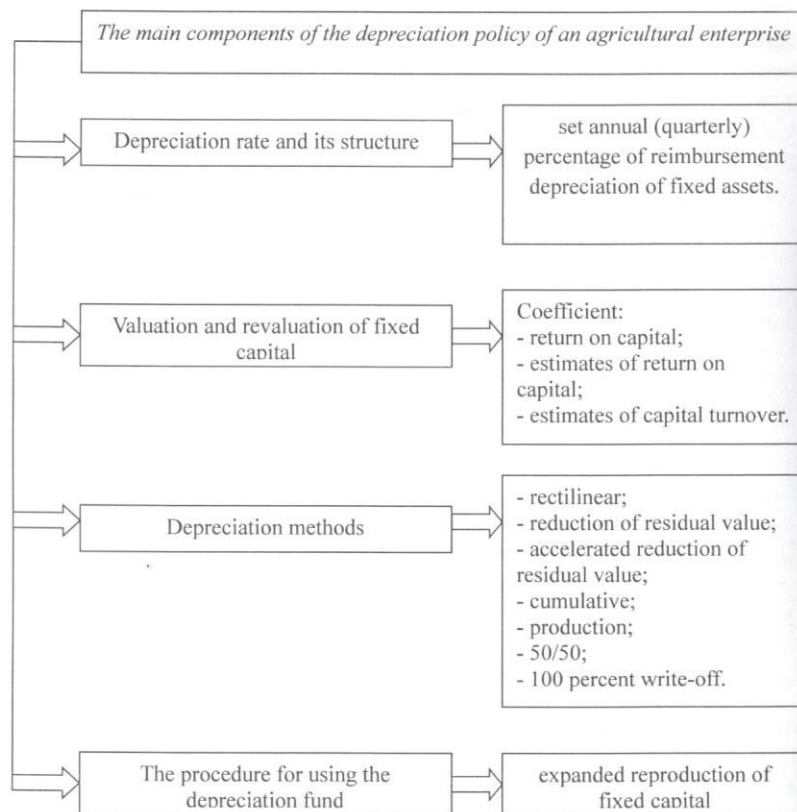


Fig. 7. The main components of depreciation policy

Depreciation of fixed assets determines:

- the process of depreciation and gradual transfer of the cost of fixed assets to the manufactured product with their participation;
- cost element, to which is added the amount of depreciation of accrued fixed assets and intangible assets;
- component of corporate income taxation.

Gorodyanska L.V states: "Analyzing the components of depreciation policy, it should be noted that depreciation deductions are carried out according to certain rules that characterize the annual number of deductions as a percentage of the book value of fixed capital. The depreciation rate is the main lever of depreciation policy, it refers to long-term economic standards that constitute the tools of economic methods of management. Due to the depreciation rate the rate of turnover of fixed capital is regulated, the process of its reproduction is intensified, the technical and production policy at the enterprise is implemented, the acceleration of scientific and technical progress in the means of labor is regulated" [11].

It is difficult to overestimate the importance of efficient use of non-current assets and production facilities. Solving this problem means increasing production, increasing the return of the created production potential and greater satisfaction of employees' needs, improving the balance of enterprise equipment, reducing production costs, increasing profitability.

According to Bradul O.M: "Improving the use of non-current assets also means accelerating their turnover, which greatly contributes to solving the problem of reducing the gap in terms of physical and moral depreciation, accelerating the recovery of non-current assets. Finally, the effective use of non-current assets is closely linked to another key task - improving the quality of products, as market competition is sold faster and high-quality products are in demand" [7].

The activity of the enterprise takes place in the conditions of insufficient development of the investment process. Therefore, there is a problem of rational use of available resources, that is increasing their intensification. To solve this problem requires a systematic analysis of the current state of affairs at this stage of production, on the basis of which it will be possible to develop specific proposals for the use of existing fixed assets and methods of attracting new means of production.

According to Dyba V.M: "When assessing the structure of fixed assets, it is necessary to take into account that their structural elements differ significantly in their functional role in the production process, and therefore do not affect the final results of management with the same activity. Other things being equal, higher results are achieved by those enterprises that are better equipped with the so-called active fixed assets: power and working machines, vehicles, productive livestock, perennial crops" [14].

The structure of fixed assets varies both in dynamics and depending on the specialization of the enterprise. Therefore, the company should establish the optimal level of capital and rational structure of these funds in accordance with its production direction, the achieved level of intensity of the basic industry, and local natural conditions.

According to Momot T.V: "The current assets play an important role in improving the efficiency of fixed assets. The efficiency of the use of fixed assets is reduced due to lack of working capital, such as spare parts, fertilizers, feed, etc. It is important to find a rational relationship between fixed and current assets, as only their optimal combination can increase management efficiency. Acceleration of scientific and technological progress is most clearly manifested in the quantitative growth and qualitative improvement of fixed and working capital, which together with labor and land resources form the basis of agricultural production" [20].

Romanenko M.A emphasizes that: "Quantitative growth and qualitative improvement of fixed and current assets, their concentration in leading industries contributes to the deepening of the technological division of labor, the development of intersectoral and inter-economic relations, has a revolutionary impact on the content of agricultural labor, characterizes the depth and scale of production. In this role, fixed and current assets are a material factor of agricultural production, as well as a factor in improving social relations" [30].

The urgency of the problem of the ratio of fixed and working capital is determined by the dynamics of public and private production, deepening specialization and expansion of intersectoral ties, reforming the agro-industrial complex, inflation, and the entry of the Ukrainian economy into market relations. Methodological issues of optimization of the ratio of fixed and working capital, methods and means of analysis of the processes of formation and use of production assets, their rationing and forecasting require scientific justification.

The key measures to improve the use of fixed assets should be the timely replacement of obsolete equipment and accelerated introduction of new equipment, improving maintenance of machinery and tractor fleet, the use of such forms of new equipment, especially leasing, attracting both investment domestic and foreign.

The accumulation of production volumes is a key sign of increasing the efficiency of fixed assets. On the other hand, the volume of production depends on the capital fund of labor and the efficiency of labor use. Efficient use of equipment during the working day and fullness of the working day, full-fledged work at all times contribute to increased productivity and, consequently, increase production.

Thus, there are two main forms of improving the efficiency of fixed assets - extensive and intensive.

The form of extensive renewal characterizes the growth rate of fixed assets in operation.

Intensive - aimed at replacing existing funds with more efficient ones. Among the large areas: - reduction of downtime, which involves the formation of optimal levels of raw materials; quality maintenance of equipment, etc.; - reducing the number of unused equipment by renting, selling; - expansion of the fleet of machines and equipment if necessary. The main intensive areas are: - increasing the level of mechanization and automation of production; - replacement of obsolete equipment and machines, their modernization; - application of progressive forms of organization and management of production, etc.

The practical implementation of these measures will intensify production and, as a consequence, increase the efficiency of fixed assets. This, in turn, will reduce production costs and increase labor capital and, consequently, labor productivity. This will increase the profitability of production.

According to S.M Firsova: "The effective use of the resource potential of agricultural formations is an objective necessity and an important prerequisite for the development of the agricultural sector of the economy. Reformation transformations in agriculture have not given the expected socio-economic return, enterprises are in a difficult position, the resource potential of the industry is collapsing. In the structure of the resource potential of agricultural formations the main share is occupied by land resources - 60.4%, fixed assets and human capital are respectively 15.2 and 24.4%" [34].

Antish O.M notes: "Today one of the most urgent tasks facing a modern enterprise, which has a complex expensive to maintain equipment, is the need to ensure its safety and at the same time cost-effective operation. An important point in solving this problem is the introduction of management systems for production assets

of the enterprise, which are an integral part of the production process and increase production capacity through the use of modern information technology without resorting to new equipment. An important point in solving this problem is the introduction of management systems for production assets and assets of the enterprise" [2].

Atamas G.P draws attention to the fact that: "The volume of production of goods and services and the related final results of the enterprise's activity crucially depend on the equipment of the enterprise with fixed assets and their effective use, first of all on the efficient use of fixed assets. The main sign of increasing the level of efficient use of fixed assets of an enterprise is the growth of production or services. The successful operation of fixed assets and production facilities depends on the extent to which extensive and intensive factors of their best use are realized. An important indicator of the use of fixed assets is the return on assets - with increasing return on assets increases the efficiency of use of fixed assets" [4].

Hetman O.O notes: "The main areas of improving the efficiency of use of fixed assets by the company are as follows:

1. Installation, assembly and commissioning of fixed assets, if possible, simultaneously.
2. Increase in capital investment in the active part of the fixed assets of the enterprise.
3. The maximum possible use of productivity and capacity of the equipment available at the enterprise.
4. The maximum possible use of the calendar fund time in accordance with the technical characteristics of the equipment.
5. Ensuring proper maintenance and compliance with the necessary operating conditions of the equipment.
6. Timely renewal of fixed assets of the enterprise.
7. The use of a combined method of organizing production processes at the enterprise.
8. Inclusion in the production of unused production assets.
9. Even loading of fixed assets during the working day.
10. Improving the professional qualification level of the staff serving the main production assets" [9].

The effective work of fixed assets and production capacity depends on how the extensive and intensive factors of their best use are realized. Comprehensive improvement of the use of fixed assets and production facilities means: firstly, increasing the operating time of basic equipment, and secondly, increasing the share of existing equipment in the total amount of equipment available at the enterprise.

Extensive ways to increase the use of fixed assets are presented at figure 8.

According to Cherep A.V.: "The key prospects in increasing the operation time of the equipment are:

- reduction and liquidation of internally variable downtime by increasing the level of organization of production (full and timely provision of jobs with tools, materials, semi-finished products, details);

- improving the quality of equipment maintenance;
- reduction of round-the-clock downtime of equipment, increasing the coefficient of variability of its work" [36].

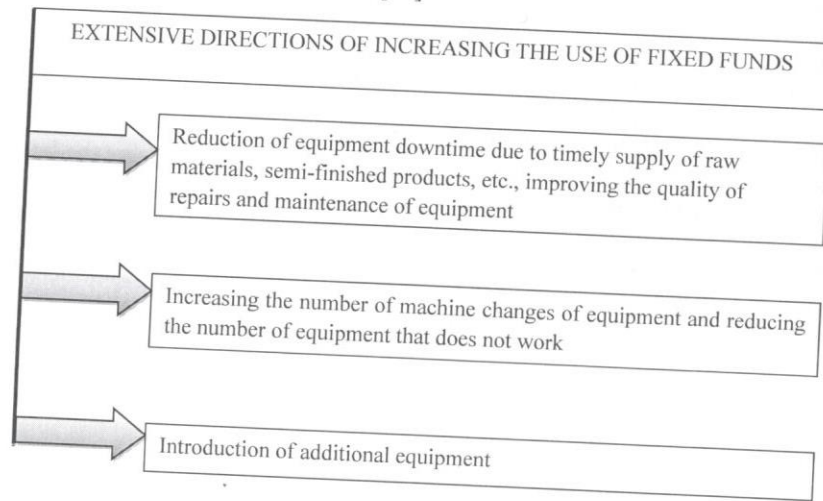


Fig. 8. Extensive ways to increase the use of fixed assets

An important way to increase the efficiency of the use of fixed assets is to reduce the amount of inactive equipment, decommissioning surpluses and rapid involvement in the production of uninstalled equipment. It should be noted that a significant improvement in the use of fixed assets and production capacity, although not implemented to date, still has limitations. Intensive improvement of the use of fixed assets and production capacity, which involves increasing the degree of loading of equipment per unit time, has much more scope. Intensive directions for improving the efficiency of the use of fixed assets are given in figure 9.

Significant reserves for better extensive and intensive use of fixed assets and production capacity are to improve the structure of fixed assets. Since the increase in output is achieved only in the leading main collections, it is important to increase their share in the total amount of fixed assets.

The increase in fixed assets of ancillary production leads to an increase in capital intensity of production, because it does not directly increase production, but even without a proportionately developed ancillary production, the main shops cannot function fully efficiently.

Ivanilov argues that: "It is necessary to establish the optimal production structure of the enterprise - an important area for better use of fixed assets. An important reserve for the best extensive and intensive use of fixed assets and production facilities - rapid development of design capacity, commissioning of new technological lines, units, equipment. Practice shows that the average actual period of development of production capacity is five to six years or more. At the same time,

technically and economically sound calculations confirm the real possibility of achieving the project indicators in one or two years, depending on the industry and type of enterprise" [15].

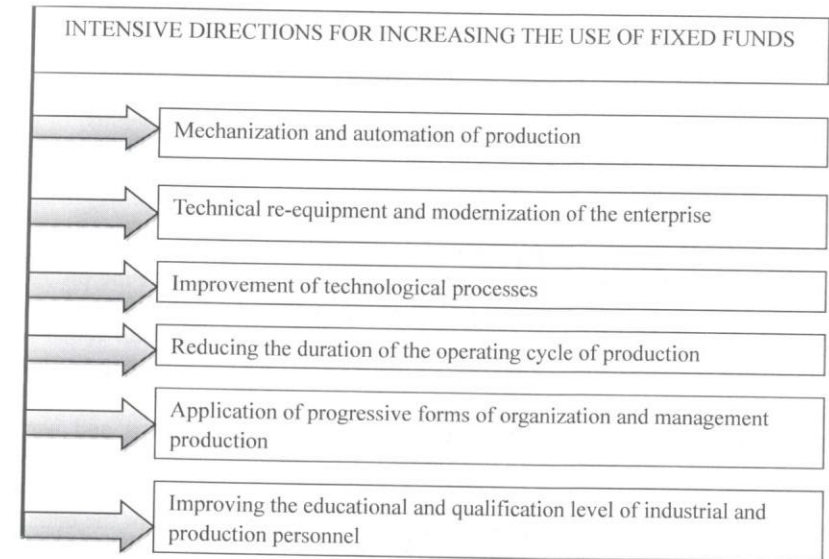


Fig. 9. Intensive areas to improve the efficiency of fixed assets

In modern conditions it is necessary to introduce and implement the following main directions of intensification of reproduction of fixed assets:

- radical improvement of the entire organization of works and its economic justification at all stages of the reproduction process (design - production - distribution - implementation - operation of new equipment);

- compliance of each enterprise with its strategy of technical, organizational and economic development;

- reorientation of investment policy to the maximum technical re-equipment and reconstruction of existing production facilities; immediate significant increase in the scale of decommissioning of technically obsolete and economically inefficient machines and equipment, the transition from the practice of one-time replacement of used tools to a systematic comprehensive update of the technical and technological base of interconnected production units of enterprises;

- formation of organizational and economic system at the national level, able to ensure the constant interest of all parts of the research and production complex in the implementation of the most effective processes of reproduction and perception of scientific, technical and organizational innovations (innovations).

According to Cherep A.V.: "The practical implementation of these main areas of intensification of reproduction processes requires not only active engineering and production activities of the enterprises themselves, but also the mobilization of own

financial means. It is fully possible under the condition of, above all, constant state support, direct participation of many institutions of market infrastructure and foreign capital. The main sign of increasing the level of efficient use of fixed assets and production capacity of an enterprise is the growth of production. The number of manufactured products for the existing size of the production apparatus depends, on the one hand, on the time of productive operation of machinery and equipment during the relevant period, and on the other on their degree of use of tools per unit of time” [36].

At the modern stage of economic development, most agricultural enterprises are acutely short of cash, which is part of current assets. The main reason for this phenomenon was the lack of an effective asset management system in general. Effective asset management is important to ensure the functioning of the enterprise, as an effective asset management policy will ensure the continuity of the production process of enterprises, the establishment of a system of cash flow management and receivables.

Hetman O.O notes: “In the process of diagnostic work, it is necessary to obtain the most objective assessment of the state of assets in order to further develop the enterprise. Diagnosis of assets allows you to identify key problems and ways to overcome negative situations in the enterprise, which will ultimately allow you to identify and improve the efficiency of their management. Carrying out diagnostics of the state of assets will give the chance to strengthen competitiveness of the enterprise both in the internal, and in the foreign markets” [9].

A model of diagnostic analysis of enterprise assets has been formed. It is advisable, to note that scientists pay little attention to determining the effectiveness of asset management. This issue is practically not considered in the literature. For diagnosis, it is useful to use those indicators that are the information basis for making management decisions about asset management. The practical value of this principle is obvious, given the fact that it is often unclear what criteria are used to value assets and what ratios underlie the analysis. An important point for the company's management is to determine the effectiveness of asset management, which will find problems in management.

According to Hetman O.O: “The main purpose of the diagnostic analysis of the effectiveness of asset management is their comprehensive assessment, based on the results of which, management will be able to calculate the effectiveness of asset management and respond in time to changes in the management of the enterprise. Data processing can be done manually, in automated or partially automated. But preference should be given to automated systems that improve the quality of analysis. At the first stage of asset analysis, it is important to identify a system of evaluation indicators that allow to diagnose the condition of assets and propose measures to avoid errors, deviations, distortions of information, strategic decisions to prevent and protect the subject from internal and external factors of crisis” [9].

For the purpose of more exact understanding and importance of use we will make a graphic kind algorithm of diagnostics of assets of the enterprise which is presented on figure 10.

Let us consider in more detail each member of the sequence of analysis of assets within the diagnostic analysis of the enterprise.

Cherep A.V. singles out the 1st stage and explains it as follows: “Asset management analysis - analysis of asset management policy in terms of their types, current and non-current, which are actually available at the time of assessment. The source of information is the reporting of the enterprise. Also, at this stage the main indicators of the state and efficiency of asset management are analyzed. The company needs to conduct an analysis of such indicators as: - horizontal and vertical analysis of assets; - analysis of liquidity indicators; - analysis of financial stability indicators; - analysis of profitability; - analysis of the availability of current assets; - analysis of the efficiency of current assets” [36].

According to Grabovetsky B.E: “Analysis of the effectiveness of the use of current assets helps to assess the availability of current assets in the enterprise, their excess or lack of. Based on the results of the analysis, an appropriate conclusion is made about the state and efficiency of asset management and the transition to the second stage” [12].

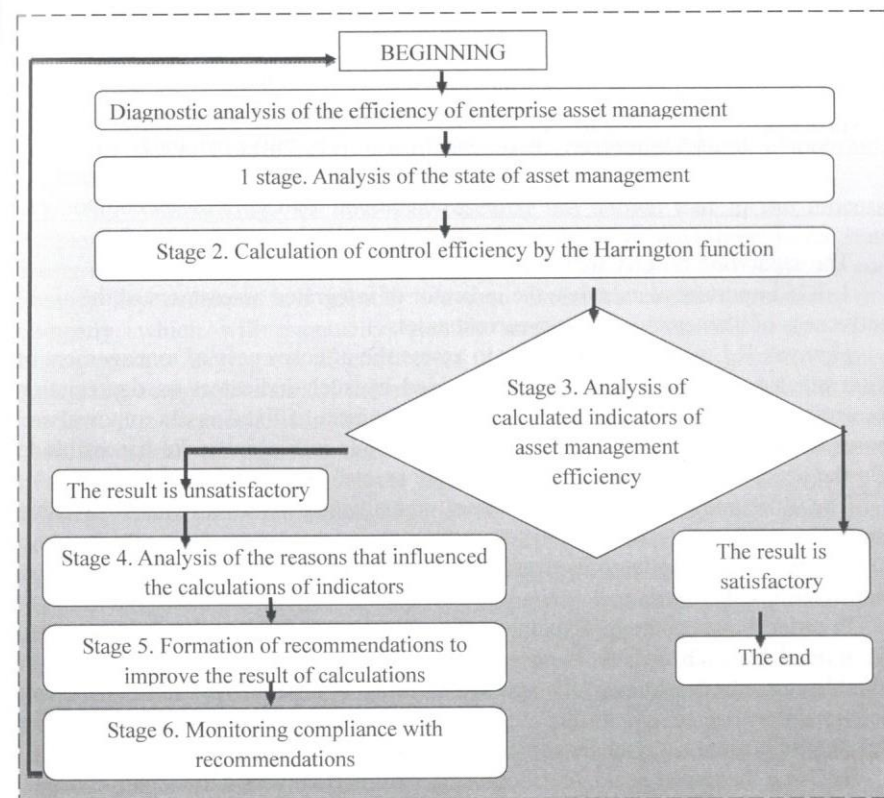


Fig. 10. The algorithm of diagnostics of assets of the enterprise

2nd stage. Calculation of efficiency management using the Harrington function. At this stage, the cumulative indicator is calculated according to the Harrington function.

$$S = \sqrt[n]{A_1 \times A_2 \times A_3 \times \dots \times A_n} \quad (7)$$

where  $A_1, A_2, A_3, \dots, A_n$  - indicators that are acceptable for analysis during the analysis of management effectiveness.

The result of such calculation will be the final coefficient of usefulness, it will indicate the level of efficiency: high, sufficient or low. Being at this stage, the company must divide the indicators according to certain criteria.

The scale for assessing the effectiveness of asset management of the enterprise is presented in table 1.

Table 1

The scale for assessing the effectiveness of asset management of the enterprise

Evaluation of effectiveness	The value of the generalizing indicator	Characteristic
High	8.0-10.0	The result of the diagnosis is characterized by the dynamics of positive indicators for all indicators
Sufficient	2.0-7.9	Indicators may have a temporary negative dynamic
Low	0, -1.9	It is characterized by a significant decrease in indicators for all components

The separation criteria are:

1. It is important to calculate the indicator of integrated assessment of the effectiveness of management of non-current assets.

Homyak R.L. proposes: "In order to assess the effectiveness of management of non-current assets, it is proposed to be guided by such indicators as depreciation ratio, capital efficiency, return on assets, suitability ratio of fixed assets, renewal and disposal ratios, profitability of fixed assets. The above indicators make it possible to assess the degree of management of non-current assets" [35].

The efficiency of non-current asset management is low with decreasing dynamics.

2. The indicator of integrated assessment of the efficiency of current assets management is calculated.

In order to assess the effectiveness of current asset management, it is proposed to be guided by such indicators as profitability of sales, the average maturity of receivables, inventory turnover, the average maturity of accounts payable. The above indicators allow us to assess the degree of management of current assets. The assessment of current assets management is positive with declining dynamics.

3. Using the expert scale, the above indicators are converted into scores, they are also assigned weight values that allow to obtain integrated levels of various components when assessing the effectiveness of asset management of the enterprise.

It is important for the company's management to determine whether they are satisfied with this result or not. If so, the analysis ends, if not - go to the stage of subsequent analysis of the reasons for this result.

Based on the generalization of the values of these levels, the highest score of the scale of each indicator (10 points) should be used to generate a scale of performance management of enterprise assets based on the integrated indicator and its graphical interpretation.

Stage 3. Analysis of the calculated indicators of asset management efficiency. At this stage, based on the results of determining the level of management efficiency, the company comes to the appropriate conclusion. If the level of efficiency is high, the result satisfies the management, then the analysis is complete. If the result is low or sufficient, go to the fourth stage.

4th stage. Analysis of the reasons that influenced the calculations of performance indicators. Based on the results of the analysis, the analysis of the reasons for the impact on the selected evaluation indicators is performed. It is possible that the selected indicators do not clearly reflect the whole picture or the influencing factors are chosen incorrectly. After this analysis, we move on to the fifth stage.

5th stage. Formation of recommendations for improving the result of calculations. At this stage, the persons responsible for diagnosis form the necessary set of recommendations to improve the result of calculations.

6th stage. Control over compliance with recommendations - monitor the correction of indicators

So, summarizing, we note that research has shown that in the process of diagnostic work it is necessary to obtain the most objective assessment of the state of assets in order to further develop the enterprise. Diagnosis of assets allows you to identify key problems and identify ways to overcome negative situations in the company, which will eventually identify and improve the efficiency of their management. Carrying out diagnostics of the state of assets will give the chance to strengthen competitiveness of the enterprise both in the internal, and in the foreign markets. For diagnosis, it is useful to use those indicators that are the information basis for making management decisions about asset management. The practical value of this principle is obvious, given the fact that it is often unclear what criteria are used to value assets and what ratios underlie the effectiveness of asset management, which will find problems in management. The priority of increasing the efficiency of fixed assets is to reduce the number of inactive equipment, decommissioning of excess and permanent inclusion in the production of uninstalled equipment.

The main purpose of diagnostic analysis of the effectiveness of asset management is their comprehensive assessment, the results of which management will be able to calculate the effectiveness of asset management and respond in a timely manner to changes in enterprise management. Data processing can be done manually, in automated or partially automated.

In the process of diagnostic work, it is necessary to obtain the most objective

assessment of the state of assets in order to further develop the enterprise. Diagnosis of assets allows you to identify key problems and identify ways to overcome negative situations in the enterprise, which will ultimately identify and improve the efficiency of their management. Carrying out diagnostics of the state of assets will give the chance to strengthen competitiveness of the enterprise both in the internal, and in the foreign markets.

Summarizing the results of the study on financial management of non-current assets of the enterprise and finding ways to improve it, it is established that the value of non-current assets of the enterprise depends on the number of financial resources it has. The structure of coverage of assets by sources of formation directly affects the financial condition of the enterprise. Optimally formed non-current assets due to a certain structure of financial resources allow the company to continuously carry out its activities, maintain a sufficient level of its solvency.

The main measures to improve the use of fixed assets should be timely replacement of obsolete and materially obsolete equipment, accelerated commissioning of new equipment, improvement of maintenance of machinery and tractor fleet, use of new forms of new equipment, including leasing, attracting investment from both domestic and foreign.

Increasing production is one of the signs of improving the efficiency of fixed assets. On the other hand, the volume of production depends on the capital stock of labor and the efficiency of labor use. Efficient use of equipment uses the working day and the fullness of the working day, full-fledged work for all time helps to increase productivity, as well as increase production.

In modern conditions it is necessary to implement the following main directions of intensification of reproduction of fixed assets: - radical improvement of the whole organization of works and its economic substantiation at all stages of the reproduction process (design - production - distribution - implementation - operation of new equipment); - adherence to its own strategy of technical, organizational and economic development; reorientation of investment policy to the maximum technical re-equipment and reconstruction of existing production facilities; immediate significant increase in the scale of decommissioning of technically obsolete and economically inefficient machines and equipment, the transition from the practice of one-time replacement of used tools to a systematic comprehensive update of the technical and technological base of interconnected production units of enterprises; formation of the organizational and economic system at the national level, capable of ensuring the constant interest of all levels of management of the research and production complex in the implementation of the most effective processes of reproduction and perception of scientific, technical and organizational innovations).

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#### 4.3. TOOLS AND METHODS OF MANAGEMENT USED IN FORMING A STRATEGY TO INCREASE COMPETITIVENESS OF AN ENTERPRISE

Olena Dobrovolska

Doctor of Economic Sciences, Professor, Professor of the Department of Finance, Banking and Insurance, Dnipro State Agrarian and Economic University

Globalization and internationalization of socio-economic processes, scientific and technological progress, mobility of labor and capital, informatization of society have led to profound changes in the economy. All this places new demands on the management of organizations. The need to quickly respond to changing factors in the external and internal environment, adapt to new market conditions, generate new ideas and implement them in real practice required the management and managers of enterprises to master modern management methods and tools. Their use is necessary, first of all, to ensure competitiveness and search for competitive advantages of the organization.

Within the framework of existing conceptual approaches (marketing, resource, dynamic capabilities of the company, etc.), various scientific views on the problem under study are substantiated, which largely predetermines a wide range of strategies proposed by domestic and foreign scientists to increase the competitiveness of an industrial enterprise. However, these theoretical approaches are insufficiently developed not only in methodological terms, but also at the level of forming an instrumental base for solving this problem. In addition, they do not reflect the features of the actual practice of the functioning of Russian industrial enterprises.

All this requires clarification of certain theoretical provisions and substantiation of methodological approaches to the formation of a strategy for increasing the competitiveness of an industrial enterprise based on the methods and tools of modern management.

Among foreign researchers, I. Ansoff, J. M. Keynes, J. B. Clark, T. Konno, F. Kotler, J. J. Lambin, M. X. Mescon, R. Morgan, F. X. Knight, W. Petty, M. E. Porter, D. Ricardo, A. Smith, A. A. Thompson, R. S. Russell, F. A. Hayek, S. Hunt, K. Haxaver, P. Heine, J. A. Schumpeter and others.

Despite a significant number of works devoted to the problems of