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насамперед – з урахуванням ознаки масштабів наслідків впровадження інновацій та предметної спрямованості інновацій. Зіставлення маркетингових цілей інноваційного розвитку, визначених за наведеними вище ознаками, дозволяє сформувати площину визначення стратегічних цілей підприємства та стратегій їхнього досягнення. До складу основних базових маркетингових пріоритетів інноваційного розвитку слід віднести наступні: “пошук ринкової ніші”; “слідування за лідером”; “технологічне лідерство”; створення стратегічних інноваційних альянсів

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## ORGANIZATIONAL PRINCIPLES OF FINANCIAL ACTIVITY MANAGEMENT OF AGRICULTURAL ENTERPRISES AND WAYS TO INCREASE ITS EFFICIENCY

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### Abstract

The article highlights the theoretical approaches to the organization of financial activities of enterprises. The main tasks and directions of financial activity of agricultural enterprises are outstanding. The main forms of financial support of enterprises and the procedure for conducting analytical work of the financial activities of agricultural enterprises are substantiated. The directions of increase of efficiency of management of financial activity of the enterprise are argued. In particular, the problems and ways to improve the management of financial activities of business entities in Ukraine, as well as proposed ways to improve the financial condition of the enterprise.

**Keywords:** financial activity of the enterprise, agricultural enterprise, financial relations, financial resources, management of financial activity.

**Formulation of the problem.** Formation and development of market infrastructure in Ukraine significantly change the economic, informational and legal environment of enterprises, the content of their financial activities. Enterprise finance is the basis of the country's financial system. The financial condition of enterprises affects the financial position of the country as a whole.

Ukraine's exit from the protracted economic crisis is directly related to the improvement of the financial condition of economic entities of all forms of ownership in all spheres of activity. Under these conditions, a modern, adequate to the market economy, the organization of financial activities of each enterprise is needed.

Financial activity is a system of forms and methods used to financially ensure the functioning of enterprises and achieve their goals, ie it is a practical financial work that ensures the viability of the enterprise, improving its results.

The main content of the financial activities of the enterprise is to properly provide funding. According to the sources of funding, it is divided into internal and external. Internal financing is carried out at the expense of funds received from the activities of the enterprise: profit, depreciation deductions, proceeds from the sale or lease of property. External financing uses funds not related to the activities of the enterprise: owners' contributions, credit, debtors' liabilities, government subsidies, etc.

However, the financial activity of domestic enterprises is characterized by inefficiency, which is a consequence of imperfect approaches to its organization, methods of managing it, and the impact of external conditions associated with financial and economic instability in the country.

The analysis of research shows that a great contribution to the development of theoretical foundations and methodological approaches to the disclosure of the essence, purpose and objectives of financial activities

of enterprises, as well as its management have made such leading economists as: OO Tereshchenko, Vdovenko, DS Черненко, O.M. Vinnyk, OS Filimonenko, VA Mazur, V.M. Parkhomenko, Yu.Yu. Branitsky, I.V. Furman, A.M. Podderogin and others. These scholars consider the concept of financial activity through the main directions of financial work, as well as through the forms and methods of financial activity.

While appreciating the fundamental work of foreign and domestic scholars, it should be recognized, however, that the issue of managing the financial activities of domestic businesses remains insufficiently researched and needs further scientific development. This caused the relevance of the topic of the thesis, the formulation of its purpose, objectives, content and structure.

**Presentation of the main material.** The basis of the financial system of the state is the finance of enterprises. Considering the approaches to the essence of the definition of "corporate finance" in domestic science, we can generalize that in the financial literature formed two main approaches to the analysis of corporate finance. Representatives of the first believe that finance is a monetary relationship for the formation, distribution and use of monetary income and funds in the process of reproduction.

However, taxation, insurance, which are categories of finance, can not be attributed to any function of money. Another group characterizes finance as part of economic relations - distribution relations that are mediated by money, because finance is derived from commodity-money relations and reflects only their specific area - servicing specific types of cash flows included in financial resources. . However, not all of them, together with the definition of the distributive nature of finance, substantiate the reproducible one, which reflects the maintenance of distribution processes and ensures the further formation of financial resources.

Thus, the essence of the definition of "corporate finance" can be considered on certain grounds [5; 9]:

- form of financing is a form of financing and crediting of business activity;
- redistribution function - the systematic movement of financial funds, which express the relationship regarding the necessary, mandatory withdrawal of value and their use in the interests of society at the level of the business entity;
- philosophical category - the economic set of time and uncertainty associated with making specific decisions, the analysis of the impact of which on the value of future revenues and expenditures allows entrepreneurs to make rational economic choices from alternative options;
- goal-setting function - is the use of various techniques and methods to achieve maximum profit of the firm, or the total cost of financial capital invested in the case;
- the system of monetary relations is a system of monetary relations concerning the movement of monetary funds.

The complexity and ambiguity of approaches to the definition of "enterprise finance" cause ambiguity

in the interpretation of other related categories, in particular "financial activity of the enterprise", which in the general sense characterizes the organization of financial relations arising in the relations of the subject management with other legal entities and individuals - contractors.

Consider approaches to defining the essence of financial activities. Yes, A.M. Podderogin defines that the financial activity of the enterprise is a system of forms and methods used to financially ensure the functioning of the enterprise and achieve its goals, ie it is a practical financial work that ensures the current activities of the enterprise, activities to improve its results. –tiv [14].

The author notes that the financial activities of the enterprise are aimed at solving the following main tasks: financial support of current production activities; search for reserves to increase income, profit, increase profitability and solvency; fulfillment of financial obligations to business entities, budget, banks; mobilization of financial resources in the amount necessary to finance industrial and social development, increase equity; control over the efficient, targeted allocation and use of financial resources.

AHEM. Azarenkova defines financial activity as a system of forms and methods used to financially ensure the functioning of enterprises and achieve their goals, that is, it is a practical financial work that ensures the viability of the enterprise, improving its results [1].

The Commercial Code of Ukraine presents the following definition: financial activities of economic entities include monetary and other financial intermediation, insurance, as well as ancillary activities in the field of finance and insurance [8].

Thus, the effective organization of financial activities depends on the timely mobilization of financial resources, the rational distribution of profits in the process of production and economic activity, the fulfillment of its own financial obligations, obligations to other economic entities and to the state in general.

In economic and financial science today, the following directions have been formed to determine the purpose of the financial activities of the enterprise.

#### 1. Profit maximization model.

1. This model of enterprise activity was first formulated in 1938 by A. Cournot and then developed in the works of representatives of the neoclassical school. The implementation of this target model was ensured by achieving equality of marginal revenue and marginal cost of the enterprise. In the future, this approach is criticized: first, the practice of accounting in all countries allocates only accounting profits, secondly, high profits do not guarantee further development, and thirdly, a high level of enterprise profit can be achieved with a high level of financial risk of business transactions. Thus, in market conditions, profit maximization can act as one of the most important economic tasks, but not as the main purpose of the enterprise.

2. The model of minimizing transaction costs is based on theoretical approaches to neo-institutionalism. R. Coase [9] first introduced the concept of "transaction costs" as the cost of servicing transactions in the market. As a result, the presence of transaction costs of the

enterprise requires a significant expansion of accounting work. At the same time, the criterion of minimizing transaction costs does not provide an assessment of the company's efforts to comprehensively save its resources, as it ignores all other types of its costs (not related to servicing commercial transactions). In addition, any cost savings can not be in the nature of the global purpose of the enterprise, as it is not related to its development and the ultimate economic interests of the main groups of participants in the economic process.

**Sales maximization model.** Representatives of this approach believe that this target criterion best reflects the results of business activity of the enterprise in the market environment, and maximizing sales integrates in its composition and profit maximization. In addition, it reflects the results of the implementation of not only economic but also social mission of the enterprise, aimed at meeting the needs of customers in goods and services. In psychological terms, both the management staff and employees are more sensitive to quantitative indicators of the enterprise [3]. However, this approach has a number of significant disadvantages. Thus, the consumer choice of goods and services is a function of the market environment, which is very variable under the influence of many factors, so from the standpoint of the prospects of evaluation, this main target function of the company is very vulnerable. Therefore, innovative approaches to ensuring high sales are not always effective. Another disadvantage is that the target function supports income growth, but is not associated with cost savings.

**Model of maximization of enterprise growth rates.** In foreign literature, the economic growth of the enterprise is understood as an indicator of the maximum growth in sales, which the company can achieve while maintaining the proportions of its financial condition, which is defined as the "golden rule" of the economy of the enterprise. According to the rule, sales (sales revenue) should grow faster than total assets, which is due to the growth of return on investment in the assets of the enterprise - the same assets produce more sales revenue. The larger increase in profit compared to sales revenue is caused by a decrease in specific fixed costs with increasing production and sales.

According to the "golden rule", economic growth of the enterprise takes place only when the interconnected and mutually agreed growth of different indicators will be observed, in particular [2]:

$$T_{\Gamma\Phi} \wedge BK > TBK > TO\Phi A > T\Phi A > TM > TH\Phi A > T_{H\Phi} \wedge M > TPK,$$

where - the growth rate of equity in cash; TECs - equity growth rates; TOFA - growth rates of current financial assets; TFA - growth rates of financial assets; TM - asset growth rates; TNFA - growth rates of non-financial assets;  $T_{NF} \wedge M$  - growth rates of property in non-monetary form; TPK - the growth rate of borrowed capital.

Thus, in the composition of this model, in contrast to the previous one, there are growth rates of the company's profit, and the main proportions of the distribution of this profit, ie elements of dividend policy, and the most important structural parameters of the financial condition of the entity. However, this model as a

target function can function only in conditions of stable demand for products, and, consequently, fluctuations in market conditions make this model very vulnerable. In addition, the model fixes as the main prerequisite the actually achieved level of profit of the enterprise, without assessing the degree of its sufficiency to solve the problems of the future.

**3. Model of providing competitive advantages.** The advantages of this target concept of the enterprise are that it reflects the results of almost all its main services - competitive advantages can be achieved through the development of a new product, improving the quality of goods and services, effective marketing, optimal pricing policy, cost reduction, etc., providing the formation of excess profitability (profitability) of the enterprise.

However, this target criterion for the operation of the enterprise has a number of disadvantages. The concept of "competitive advantage" is characterized by a number of indicators that are very difficult to integrate into a single measure. In addition, competitive advantage characterizes the relative position of the enterprise within a particular industry, while a significant part of enterprises are diversified. Also, the competitive advantage of the enterprise can be maintained only in a relatively short period of time. Thus, the provision of competitive advantages can be considered as a task of the main functional management systems, but not as the main purpose of the enterprise.

**4. The model of maximizing value added ("Japanese model of firm development").** The advantage of this criterion for assessing the activities of the enterprise is that it allows to maximize the economic interests not only of workers and managers, but also the owners of the enterprise [16].

**5. The investment needs of the enterprise in the development of fixed assets and intangible assets of innovative nature can be sufficiently taken into account.** Also, this target criterion is long-term, which allows you to model activities in a strategic perspective. At the same time, the considered target model has a significant disadvantage - it conflicts with the economic interests of the final consumer / buyer of products.

**6. Model of maximizing the market value of the enterprise.** Recently, this concept has received priority development in developed countries. The peculiarity of this model is the following. The target model, focused on value, recognizes the owners as the main actors in the system of economic interests associated with the activities of the enterprise. And, therefore, the owners as the ultimate applicants for income are most interested in the effective management of the enterprise. At the same time, owners, taking care to maximize the increase in their welfare, simultaneously contribute to the growth of the welfare of all other economic entities. This allows to balance the interests of participants in financial relations, to integrate the main goals and objectives of the effective functioning of its various services and departments, to harmonize the current and future goals of enterprise development.

The difference of this model is that the market value of the enterprise is characterized by a wider range and deeper growth potential compared to other targets.

In addition to revenue growth and cost reduction, the growth of its market value can be provided by changing its image, organizational culture, using the effect of synergy and, moreover, if the size of profits or cost savings have their limits at each enterprise, the values of such limits have almost no. This indicator implements the most complete information about the functioning of the enterprise in comparison with other evaluation indicators. The advantage of using this model is that it covers all major areas of financial activities - investing, financing, asset management and cash flow, and accordingly allows you to assess the quality of the full range of financial decisions.

Thus, the study of the essence and features of individual models of the target function of the enterprise allows us to generalize that the most acceptable of them in a market economy is a model of maximizing the market value of the enterprise. Given that the largest role in the implementation of this model is played by the financial services of the enterprise, it can be accepted as the main goal of financial management and formulated as maximizing the welfare of business owners in the current and future period, provided by maximizing its market value.

Review of the main tasks of financial activity, which are offered by economists-scientists [6; 14], as well as the regulatory framework [7; 8], presented above, allow to generalize that in the process of realization of the main purpose of management of financial activity is directed on realization of such basic tasks:

- Formation of a sufficient amount of financial resources to ensure accurate operation, development of the enterprise in the future.

- Effective distribution and use of the formed volume of financial resources in the context of the main directions of activity of the enterprise (formation of non-working and working capital, real and financial investments, etc.).

- Optimization of cash flow (balancing of incoming and outgoing cash flows, loan servicing, short-term financial investments and others).

- Maximizing the profit of the enterprise with the lowest level of financial risk. Achieved by managing the assets of the enterprise, optimizing their composition, structure. It provides for the application of depreciation, tax, dividend policy to optimize the process, the proportions of the formation, distribution and use of enterprise profits.

- Minimization of the level of financial risk at the expected level of profit. Any economic activity is characterized by risk as the probability of unplanned losses or unplanned income, which leads to reduced efficiency. Accordingly, there is a need for timely detection, assessment, prevention of financial risks, timely use of methods to reduce (minimize) them.

- Stability of the financial balance of the enterprise in the process of its development. In general, financial equilibrium is defined as the correspondence of financial needs of the enterprise and its resources by type and time in order to ensure successful operation; includes

ensuring the solvency of the enterprise, financial stability, liquidity of assets, the need for fixed and working capital sources for maximum return, a certain level of stability of the financial condition of the enterprise, minimizing economic risks. This state is ensured by the optimal ratio of equity and borrowed capital, effective proportions in the structure of sources of financial resources, a sufficient level of self-financing and investment and non-working and working capital.

- The possibility of rapid reinvestment of capital when changing external and internal conditions of economic activity.

Thus, examining the essence of financial activity and its management, it should be noted that, first, financial activity is not limited to the enterprise, but constantly interacts with the budget, extra-budgetary funds, banks and insurance companies, institutional investors, and, secondly, the management of financial activities is influenced by such general principles of management as planning, incentives, coordination of individual elements, variability, targeting. This allows you to determine the principles of effective management of financial activities of the enterprise:

- integration with the general management system of the enterprise;

- the complex nature of the formation of management decisions, including on ensuring the interdependence of financial indicators as key indicators of financial efficiency;

- dynamism of management decisions, which is a requirement to take into account internal and external factors of financial and economic activity of the enterprise;

- variety of approaches to the development of individual management decisions to ensure flexibility, maneuverability, rationality, minimization of financial costs;

- completeness and accuracy of accounting and reporting, planning of financial indicators, control over the consistency and justification of financial transactions;

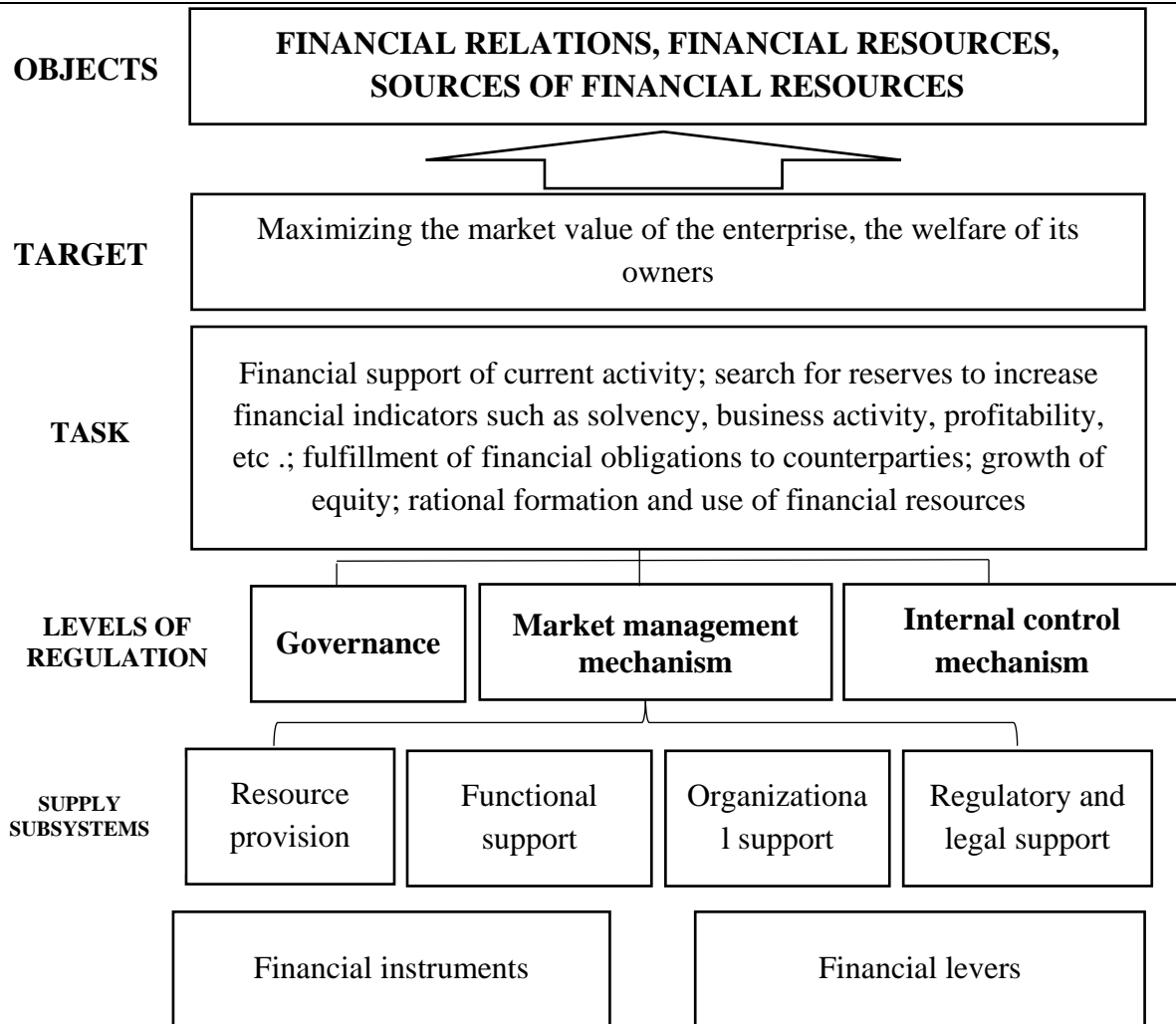
- focus on strategic goals of enterprise development;

- incentives and material responsibility;

- economic efficiency, ie the costs of creating and maintaining a financial management system, as well as its modernization must be economically justified.

The process of managing the financial activities of the enterprise is based on a system of certain elements to regulate the development and implementation of management decisions in the field of financial organization, which determines the mechanism of managing the financial activities of the entity.

Given that financial activities are aimed at organizing financial relations internally and externally, as well as a proposal for a comprehensive, program-targeted, criterion approach to building a mechanism for managing the financial activities of the enterprise, it is proposed to form the structure of this mechanism by levels of financial relations (Fig. 1).



*Fig. 1. The mechanism of financial management of the enterprise*

Thus, the management of financial activities, taking into account the above principles, allows to provide the necessary resource potential of high growth rates of economic activity of the enterprise, the constant growth of equity, increasing its competitive position in the commodity and financial markets, to ensure stable economic development in the strategic perspective.

In the organizational and managerial work of enterprises, financial activity occupies an exceptional place. The financial activity of agricultural enterprises should be understood as a system of using various forms and methods to financially ensure their functioning and achieve their goals, ie it is the practical financial work that ensures the viability of the enterprise, improving its results. The timeliness and completeness of the financial support of production and economic activities and the development of the agricultural enterprise, the fulfillment of financial obligations to the state and other economic entities largely depend on it.

The main problem of agricultural entrepreneurship in the modern economic environment is the lack of

working capital in the presence of a significant number of enterprises potentially profitable projects. The quality of management of financial resources of agricultural enterprises affects the efficiency of financial activities, which also includes the formation, distribution and use of profits, which remains at its disposal. At the same time, as a result of financial and economic activities of agricultural enterprises, the state receives its share in the form of taxes, the company - in the form of net profit, and employees - certain income from the distribution and use of part of net profit.

Under the financial activities of agricultural enterprises should be understood as a process aimed at providing production and economic activities with funds (money, financial resources), which determines the financial condition of the enterprise. In the course of our research we have identified the concept of financial condition of the enterprise in view of the various sources, which are listed in table. 1.

Table 1

Definition of the concept of "financial condition" in various sources of information	
Scientist	Characteristics of the concept of financial condition of the enterprise
Bandurka O.M.	defines as the degree of provision of the enterprise with the necessary financial resources to carry out effective economic activities and timely cash settlements for its obligations [3]
Bilyk M.D.	considers as "real (fixed) and potential financial capacity of the enterprise to provide a certain level of financing of current activity, self-development and repayment of obligations to the enterprises and the state" [4]
Krutik A.B.	considers the financial condition of the enterprise as "finding out whether the enterprise is able to meet its obligations, how quickly the funds invested in assets can be converted into real money, and how efficiently the property is used" [10]
Savitska G.V.	defines as "an economic category that reflects the state of capital in the process of its circulation and the ability of the business entity to self-development" [13]
Tsal-Tsalko Y. S.	indicates that the financial condition of the enterprise is determined by a set of indicators that reflect the availability, location and use of enterprise resources, its real and potential financial capabilities, which directly depend on the results of their business activities [16]

The formation of financial resources in enterprises occurs during the formation of the statutory fund, as well as in the process of distribution of cash receipts as a result of returning advanced funds to fixed and working capital, the use of income to form a reserve fund, consumption fund and accumulation fund. In this regard, the concepts of "formation" and "distribution" should be considered as a single process in social production.

Thus, the formation and use of financial resources by agricultural enterprises is a process of formation of monetary funds for financial support of operating and investment activities, fulfillment of financial obligations to the state and other economic entities. The movement of cash flows quantitatively reflects all stages of the process of reproduction through the formation, distribution and use of cash income, trust

funds. Therefore, financial resources are a reliable indicator of the emergence of cost imbalances: cash shortages, defaults, misuse of funds, losses and other negative phenomena in the process of financial and economic activities of enterprises. That is, financial resources have a potential ability to control the financial and economic activities of agricultural enterprises.

Financial activity plays a service role in relation to production and economic activities, and is considered one of the most important institutions of the agricultural enterprise. Different types of agricultural enterprises have their own special regime of formation of financial resources. We have identified the features of the formation of financial resources depending on the organizational and legal form of the enterprise, which are given in table. 2.

Table 2

Formation of financial resources for various organizational and legal forms of enterprises		
Organizational and legal form of enterprises	Normative document	Formation of financial resources
Farming	Law of Ukraine "On Farming"	Forms its financial resources from its own income, ie profitable economic activity
Agricultural consumer associations and their unions	Law of Ukraine "On Agricultural Cooperation"	Financial resources are formed at the expense of funds received as a result of economic activity, sale of securities and other income.
Agricultural cooperatives	Law of Ukraine "On Agricultural Cooperation"	The income of an agricultural cooperative is formed from the income from economic activity after covering the material and equivalent costs and labor costs of employees

It should be noted that the obligatory prerequisites for the effective functioning of the financial resources of agricultural enterprises, in our opinion, are: a variety of forms of ownership; freedom of enterprise and independence in decision-making; free market pricing and competition; self-financing of entrepreneurship; legal provision of rules of economic behavior of all business entities; restrictions and regulation of state intervention in the activities of enterprises.

Thus, a farm forms its financial resources at the expense of its own income, ie profitable economic activity, and can also receive funds from the Ukrainian State Fund for Support of Farms on a non-refundable basis and on a competitive basis on a repayable basis.

On a non-refundable basis, funds are provided for

the following purposes:

1. reimbursement of the cost of development of projects for allotment of land plots for farming;
2. reimbursement of part of the costs associated with the payment of interest for the use of bank loans, and partial reimbursement of costs for the purchase of the first tractor, combine, truck, construction of livestock facilities, including cost of design and estimate documents, preferential terms of crediting, insurance of farms;
3. training, retraining, advanced training of farm staff in agricultural educational institutions;
4. expansion of research on the problems of organization and conduct of production in farms;



5. issuing recommendations on the use of scientific and technological progress in the activities of farms;

6. providing guarantees for bank lending to farms;

7. ensuring the functioning of the Ukrainian State Fund for Support of Farms and its regional branches.

Reimbursable assistance to farms is provided for the production, processing and sale of manufactured products, for the implementation of production activities and other purposes provided by the statute of the Ukrainian State Fund for Support of Farms under a guarantee of return for a period of 3 to 5 years.

Consumer associations, unions and their enterprises have the right to receive loans from banks, enterprises and organizations and are fully responsible for compliance with credit agreements and settlement discipline. After payments to the budget and other mandatory deductions, the profit is distributed by the general meeting of members of the consumer society (meeting of commissioners) and the councils of relevant unions in accordance with their statutes. Consumer societies, unions and their enterprises independently or on a contractual basis set free prices and tariffs for industrial and technical products, raw materials, agricultural products and consumer goods produced and purchased by them, provided services based on demand and offers, except for products, goods and services, which provide for state regulation of prices and tariffs [9].

The income of an agricultural cooperative is formed from income from economic activities after covering material and equivalent costs and labor costs of employees. Revenue is divided into taxes and fees (mandatory payments) to the relevant budgets; loan repayment; loss coverage; making contributions to the funds of the cooperative; cooperative payments; payment of shares of income per share (up to 20.0%, determined before distribution). The procedure for using the income of a cooperative (association) is established by the charter. Revenues of state and municipal agricultural enterprises are formed both from general sources (income from sales of products, works, services; income from securities; loans from banks and other creditors, etc.) and special (grants, subsidies, subventions) and other means of state support).

Agricultural enterprises are engaged not only in operating, but also in financial or investment activities in order to achieve the maximum possible use of financial resources and make a profit. At the same time, investing in financial and investment activities is associated with increased risk compared to operating activities.

Financial activity occupies a special place in the organizational and managerial work of agricultural enterprises. The timeliness and completeness of financial support of production and economic activity and development of the enterprise, fulfillment of financial obligations to the state and other business entities largely depend on it. Financial activity should be understood as a system of using various forms and methods for financial support of enterprises and achieving their goals, ie it is the practical financial work that ensures the viability of the enterprise, improving its results. The financial

activity of an agricultural enterprise is aimed at fulfilling the main tasks, which are carried out in their main directions.

Financial forecasting and planning is one of the most important areas of financial work of an agricultural enterprise. At this stage of financial work, the general need for funds to ensure normal operating and investment activities and the possibility of obtaining such funds is determined.

Under market conditions, the agricultural enterprise independently determines the direction and amount of use of profits, which remains at its disposal after taxes. The purpose of the financial plan is to determine the financial resources, capital and reserves on the basis of forecasting the value of financial indicators: working capital, depreciation, profit, taxes.

Enterprises, planning the costs of production and sale of agricultural products, must take into account the reserves to reduce its cost, which include: improving the use of fixed assets and increase in this regard the output for each hryvnia of fixed assets; rational use of raw materials, fuel, energy and reduction of unit costs without reducing its quality; reduction of living labor costs per unit of output on the basis of scientific and technological progress; reduction of costs for the sale of products by improving the forms of its sale; reduction of losses from marriage and mismanagement, elimination of unproductive costs; savings in the administrative and managerial sphere on the basis of rational organization of the enterprise management staff.

Based on the developed financial indicators, agricultural enterprises make long-term, current and operational financial plans. Current and operational financial work at an agricultural enterprise is aimed at the practical implementation of financial support of its business activities, constant maintenance of solvency at the appropriate level. The content of the current operational financial work at the agricultural enterprise is as follows: constant work with consumers in relation to payments for sold agricultural products (works, services); ensuring timely payment of taxes, other mandatory payments to the budget and trust funds; timely payment of wages; timely repayment of bank loans and interest payments; making payments on financial transactions, etc.

It is important to analyze and control the financial activities of the agricultural enterprise, which means the diagnosis of its financial condition, which allows to identify shortcomings and miscalculations, identify and mobilize internal reserves, increase revenues and profits, reduce production costs, increase profitability, improve the financial and economic activities of the enterprise as a whole.

Also important is the role of financial resources of agricultural enterprises in ensuring the balance of the country's economy of material and monetary funds intended for consumption and accumulation. Ensuring such a balance greatly affects the stability of the national currency, money circulation, the state of settlement and payment discipline in the national economy and the development of agro-industrial production of the country.

Thus, the finances of the enterprise as a relationship are part of the economic relations that arise in the process of economic activity, the principles of their organization are determined by the basics of economic activity of enterprises. Based on this, the principles of finance can be formulated as follows: independence in the field of financial activities, self-financing, interest in the results of financial and economic activities, responsibility for its results, control over the financial and economic activities of the enterprise.

The financial activity of the enterprise should be aimed at ensuring the systematic receipt and efficient use of financial resources, compliance with settlement and credit discipline, achieving a rational ratio of own and borrowed funds, financial stability in order to effectively operate the enterprise.

In the framework of financial management, financial work at the enterprise is carried out in the following main areas

1. financial forecasting and planning;
2. analysis and control of production and economic activities;
3. operational, current financial and economic work.

Financial planning at the enterprise provides its economic activity with financial resources, resolves existing financial contradictions in financial relations, monitors compliance with financial discipline, aimed at further development of the enterprise, achieving its strategic goals.

In modern conditions, there are a number of problems associated with the organization of financial planning in Ukrainian enterprises, which can be grouped by importance:

1. unreality of financial plans;
2. efficiency of drawing up plans;
3. non-transparency of plans for management;
4. separation of long-term plans from short-term;
5. implementation of plans;
6. complexity.

The most important element of ensuring the financial stability of the enterprise in the short term is its budgeting system. Budgeting at the enterprise reflects the main content of modern technology of financial planning. It provides an opportunity in a single information format to develop and monitor the implementation of the plan, to promptly assess the deviation of actual indicators from the planned. This process of prompt management decisions and adjustment of current actions expresses the basic requirement for the effectiveness of the financial management system in a dynamic economic environment [2].

The role of budgeting in the activities of domestic enterprises is primarily to determine: how, where and when it is necessary to use resources to increase the efficiency of the enterprise. There is no criterion that would be able to assess whether the developed budget is aimed at profitable and efficient operation of the enterprise.

It should be noted that the introduction of budgeting in Ukrainian enterprises almost always faces methodological and organizational problems. The process of implementing a budgeting system can take months or

even years. In addition to time costs, it requires highly qualified professionals in the field of budgeting and computer technology, without which this process is impossible. Ukrainian companies, as a rule, attract specialists from consulting firms, because it is cheaper and more reliable.

An important problem of financial planning is to ensure the validity and reality of the financial plan. It depends largely on the reliability of data on sales, receivables and maturities, financing needs, the proper functioning of the units involved in the preparation of the financial plan and the efficiency of its development.

In modern conditions of management of functioning of the enterprises necessity of use of various forms of control and auditing work increases. With the help of financial control the timeliness of making adjustments in the planning and forecasting of enterprises, obtaining information about their real financial condition, identifying violations of applicable law and deviations from established rules and regulations. Effective financial control of enterprises contributes to improving the quality of implementation of economic and social development plans, rational use of labor and financial resources, compliance with current legislation, reducing costs in enterprises [13].

If we assess the state of internal financial control at Ukrainian enterprises, it is unsatisfactory. The following violations most often occur:

- abuse of office (non-posting and misappropriation of money; excessive write-off of money at the box office; misappropriation of fixed assets accounted for on the balance sheet of the enterprise, etc.);
- non-performance or poor performance of official duties (formally sign documents without delving into their content, inventory is made only on paper, purchases are made not where it is beneficial to the company, but where the responsible official will receive personal benefit, etc. );
- incorrect assessment of procurement, production or sales operations in terms of feasibility and cost-effectiveness.

The main reason for all the problems is that business owners, not understanding the nature, purpose and objectives of internal control, do not pay due attention to building an effective system for its implementation. These violations must be detected at the level of internal control, and now they are detected at the level of state control. This is due not only to the poor organization of internal control in enterprises, but also to the presence of certain problems at the state level, which create tendencies to increase the number and volume of major financial violations. One of the major obstacles to the development of domestic entrepreneurship is the imperfection of the current tax system, excessive tax pressure and burdensome reporting system, which lead to an increase in sales, hidden from taxation, uncertainty of entrepreneurs in the stability of business conditions. Complex and long-term post-registration procedures of business entities, excessive interference of public authorities and management in their activities have a negative impact on the development of entrepreneurship [15].

Solving these problems will improve business in

Ukraine and ensure its stable development. After all, entrepreneurship makes the market economy more flexible, mobilizes financial and production resources of the population, is an essential factor in restructuring and ensuring the breakthrough of scientific and techno-

logical progress, as well as solving the problem of employment and other social problems of the market economy.

Comprehensive analysis and evaluation of the effectiveness of financial activities of enterprises is carried out, as a rule, in seven main stages (Table 3).

**Table 3**

**Stages of assessing the effectiveness of financial activities of enterprises [10]**

Stage	Characteristic
I stage	A decision is made on the appropriateness of the analysis and evaluation of financial statements and its readiness for analysis is checked. Determining the appropriateness of the analysis is done by reviewing the audit findings.
II stage	There is an acquaintance with the explanatory note to the balance. This is necessary in order to assess the operating conditions of the enterprise in this reporting period and take into account in the analysis of the factors whose impact caused changes in property and financial position of the enterprise and which are reflected in the explanatory note.
III stage	The necessary information is collected for the analysis and estimation of financial activity of the enterprises and its accuracy is checked.
V stage	Factor analysis is performed.
VI stage	Unused reserves to increase production efficiency are identified.
VII stage	An assessment of the results of economic activity and financial condition of the business entity.

The financial mechanism of the enterprise includes a system of financial methods (financial forecasting, planning, financial indicators and ratios, standards, limits, reserves, settlement system, lending, investing, taxation, insurance, incentives, etc.) and financial levers.

The basis for ensuring the effective development of the enterprise, the balance of its interests and strategic direction in the implementation of management is a complex financial mechanism for the operation of economic entities. Determining the main components of the financial mechanism of enterprises is one of the most important and relevant issues today, as failure to take into account current provisions and principles of their implementation, changes in unstable internal and external environment can lead to insolvency, destruction of strategic potential and threats to its financial security.

The basic elements of the mechanism are various tools, methods and types of stimulating the development of entrepreneurship: economic, socio-psychological, organizational, which, on the one hand, should stimulate enterprises regardless of ownership to meet the needs of society, and on the other - to motivate disclosure of internal capabilities of these enterprises.

Given the impact of basic financial methods, levers and instruments, we can describe the main directions of improving the financial mechanism. The latter are based on the improvement of forms and methods of organization of financial and economic activities, the establishment of effective internal and external financial relations of the enterprise with suppliers of resources, customers and other participants in the market environment. In today's unstable economic conditions, the development of financial relations occurs by attracting credit resources and finding other sources of funding, their diversification, implementation of the budgeting system, improvement of the automated system of control over cash flow and implementation of the operational plan of funds, their rational use.

At the same time, it is important to form strategic

goals for the development of financial and economic activities of enterprises based on financial diagnostics, taking into account threats to the financial security of the enterprise, contradictions of development and appropriate ways to overcome them, substantiation of programs and measures to improve financial security, strategic goal, accounting and financial and depreciation policy, implementation of financial controlling and flexible pricing, assessment of the implementation of the financial strategy and making adjustments in accordance with changes in the external environment.

It can be stated that the foundations of the financial mechanism of sustainable development of the enterprise are:

- ensuring the formation of a sufficient amount of financial resources in the future;
- ensuring the most efficient use of the formed amount of financial resources for production and social development of the enterprise, payment of the required level of income on invested capital to the owners of the enterprise, etc. ;
- optimization of money circulation;
- ensuring the maximization of financial results of the enterprise, which is achieved through effective asset management, involvement in the economic turnover of borrowed financial resources, the choice of the most effective areas of operational and financial activities;
- ensuring the minimization of the level of financial risk. If the level of profit of the enterprise is set or planned in advance, an important task is to reduce the level of financial risk that ensures the receipt of this profit;
- ensuring constant financial stability of the enterprise in the process of its development, which is characterized by an acceptable level of liquidity and solvency, business activity and profitability of the enterprise at all stages of its development and is provided by the formation of optimal capital and assets structure, sufficient level of self-financing of investment needs [21].

Today, the financial mechanism of most enterprises is in crisis, which is reflected in a significant lack of funds for both production and investment. In this regard, the priority for companies at the moment is to strengthen their finances. Improving the financial mechanism of working capital management of the enterprise is one of the main factors in improving the economic efficiency of its development. The condition and efficiency of working capital - one of the main conditions for successful operation of the enterprise. Therefore, there is an objective need to improve it and develop the main stages.

The first stage of the process of modernization of the financial mechanism is aimed at establishing a link between the organizational structure and financial resources. It consists in deciding on the distribution of financial resources and concentrating them on specific activities of the enterprise.

A necessary condition for making such decisions by business units is to conduct economic analysis and establish dependence on the projected demand for manufactured products. The next step is to link the problem to the required amount of funds and other resources. The result of this stage is the development of a business plan [2].

Along with the basics of improving the financial mechanism of the entity, it is also necessary to identify specific areas for improving financial performance:

1. systematic and continuous analysis of financial activities;
2. organization of working capital in order to optimize the financial condition;
3. optimization of enterprise costs based on their division into constants and variables;
4. analysis of interaction and relationship: "costs-revenue-profit";
5. optimization of profit distribution and selection of the most effective dividend policy;
6. wider introduction of commercial credit and promissory note circulation;
7. use of leasing relations;
8. optimization of the structure of the value of the property of the enterprise and the sources of its formation;
9. development and implementation of the financial strategy of the enterprise.

Thus, in order for the financial mechanism of the business entity to function effectively as a system, it is necessary to clearly define the list of its elements, as well as clearly define their industry characteristics. This will identify the most effective tools for achieving the objectives of financial policy in order to ensure the smooth and efficient operation of the business entity.

Taking into account the financial capabilities of enterprises, objectively assessing the nature of internal and external factors, the financial mechanism ensures compliance with the financial and economic capabilities of the enterprise to the conditions prevailing in the market of goods and the financial market.

We propose to introduce the following changes aimed at improving the management of financial activities and financial condition of the enterprise:

1. Organize financial planning at the enterprise.

This will allow for constant monitoring of financial activities and timely response to market changes. In today's conditions of uncertainty, financial forecasting and planning is one of the most important areas of financial work of the enterprise. At this stage of financial work is determined by the total need for funds to ensure normal production and economic activities and the possibility of obtaining such funds.

2. To reduce receivables, further enter into agreements with customers, which provide for penalties for late payment. And motivate staff to be interested in reducing debt.

3. To stimulate the sale of part of the inventories in order to release money and further sell only those goods that are really in demand among the population.

4. Try to change the share of own funds in the balance sheet structure.

5. Implement an effective pricing policy, differentiated in relation to certain categories of buyers.

6. Improve advertising activities, increase the effectiveness of individual advertising activities.

7. Pay sufficient attention to education and training, training.

8. Consider and eliminate the causes of overspending of financial resources.

9. Eliminate the risk of theft and damage to property by introducing direct material incentives to employees.

10. Develop and introduce an effective system of material incentives for staff, closely related to the main results of economic activity of the enterprise and resource savings.

11. Use systems to depress employees in violation of labor or technological discipline.

12. Develop and implement measures to improve the material climate in the team, which will ultimately affect productivity.

**Conclusions.** The priority tasks of managing the financial activities of the enterprise should be:

1. Determining the total need for financing the activities of the enterprise for the future. In particular, the company needs funds to service its activities and enterprise development, namely the payment of wages, taxes, to settle with business partners, investment.

2. Determining the most effective sources of funding. An enterprise can earn financial resources on its own, for example, by making a profit.

3. Ensuring the most efficient use of the generated amount of financial resources, primarily in the following areas.

4. Optimization of cash inflows and outflows at the enterprise by choosing effective forms of cash settlements, minimizing the amount of tax payments and reducing the operating cycle.

5. Maximizing the amount of profit at an acceptable level of risk based on revenue management (product price and range); cost management (identification of reserves to reduce costs and losses, shortages and waste).

6. Reduction of the level of financial risk during the implementation of business operations (risk of loss of profit, income), by diversifying activities, insurance and formation of reserves.

7. Ensuring the financial balance of the enterprise

on the basis of forming an effective structure of sources of funding for its activities.

We are convinced that the company should develop a system of indicators with which it would be able to accurately assess the current and strategic capabilities of the company.

If the company will work more efficiently, ie have more income and profits, the more it will pay taxes to the budget, can create more jobs and pay more wages to employees, can raise loans from banks at higher interest rates, insure their property in insurance companies, to invest funds in its development, which stimulates the economic development of the state as a whole.

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