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UNEMPLOYMENT IN UKRAINE: CAUSES, CONSEQUENCES AND WAYS
OF ITS OVERCOMING

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БЕЗРОБІТТЯ В УКРАЇНІ: ПРИЧИНИ, НАСЛІДКИ
ТА ШЛЯХИ ЙОГО ПОДОЛАННЯ

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Abstract. In the article, it is viewed upon the modern state of unemployment in Ukraine. The author investigates its peculiarities and causes of appearance. Based on the investigated the ways of overcoming the unemployment in the country are presented.

Key words: unemployment, employment of population, youth unemployment, labor force, demand, suggestion.

Анотація. В статті розглянуто сучасний стан безробіття в Україні. Досліджено його особливості та причини виникнення. На підставі дослідженого наведено шляхи подолання безробіття в країні.

Ключові слова: безробіття, зайнятість населення, молодіжне безробіття, робоча сила, попит, пропозиція.

Introduction. Unemployment of the population is one of the major factors that affect the socio-economic situation of the population, in particular, determines its poverty and scale of labor migration from Ukraine. That is why the study of the problems of employment and unemployment is one of the most important tasks of economic science.

The main aim of the article is to study the root causes, the consequences of unemployment and the development of the suggestions for its reduction in Ukraine.

The main text. Unemployment is such a social phenomenon, when the number of those wishing to get a job is greater than the number of jobs; it is one of the main socio-economic problems of the present stage of the economic development.

According to the Law of Ukraine "On Employment" the unemployed are persons aged from 15 to 70 years old, who due to lack of jobs have no earnings or do not have other legal sources of income as a source of being, willing and able to get to work [1].

The unemployed are not considered people who do not belong to this age group, those receiving pensions and those who twice refuse the proposed acceptable work. For those people who first tries to find a job, it is an acceptable job that requires professional training. If an unemployed person receives help, then it can be considered an acceptable job that one for which there is need to change profession. So, to become an unemployed one it is necessary to register with the employment



service, to actively seek work, not to have other sources of income and not to evade offered acceptable work.

In January of 2016, the number of officially registered unemployed in Ukraine increased by 17,800 people – up to 508,600 people. At the labor market, employers offer 31,300 jobs, that is 16 people claim one place. In January only 19,400 the officially registered unemployed (3.5%) were employed. The State Statistics Service gives such data [4].

In our opinion, there are many problems concerning the statistics of unemployment in Ukraine, which makes it difficult to objectively assess the realia of unemployment in the country, namely:

- it is impossible to take into account people who have lost the “hope to work” in Ukraine, who are not registered with the employment service;
- statistics does not include part-time employment;
- those who are forced to leave their jobs for holidays on the initiative of the administrations are considered the employed;
- the false information from the “unemployed”.

An important contribution to the formation of unemployment in Ukraine accomplishes its hidden, that is the unwillingness or inability of a large number of the unemployed of the working age to register at the employment offices.

Many workers do their work without official registration, so it is almost impossible to verify those receiving the unemployment benefits, and are involved in the shadow sector of economy. However, statistics do not take into account that because of the absence of jobs about 7 million of our compatriots went abroad to work. About 2 million of the unemployed farmers who live only from the subsistence farming are not taken into account and also those who work at the so-called “quarter rate” or those with temporary undermining. The majority of the population is now in terms of the involuntary part-time employment. Thus, only the number of workers in part-time work week (day) exceeds 2 million of people.

The important point is youth unemployment.

In our opinion, the main causes of youth unemployment include the following:

- the Great Recession, which has had a negative impact on the labor market of Ukraine, the consequence of which was an increase in the number of unemployed young people;
- the labor migration;
- the imperfection and the inadequacy of the norms of the law on youth employment issues to the economic, political and social realities of unemployment facilitates youth unemployment;
- the imbalance between demand and supply of the specialists in the labor market;
- the gap between the demands of employers and the level of training of young graduates;
- imperfection of the territorial structure of Ukraine’s economy.

Therefore, to solve these problems, we can propose the following measures: the establishment of enterprises for youth employment in free from studying time; the promotion of the creation of small youth businesses; establishment of the departments



promoting youth employment at universities or in the employment services; the development and growth of technology parks in Ukraine.

A technopark is a scientific-industrial territorial complex, which main task is to create the most favorable environment to develop small and of medium sized innovative high technology firms. Creation of technoparks in Ukraine will provide scientists with creative work that is paid high enough. Today there are technoparks in the cities of Kyiv, Kharkiv, Donetsk, Dnipropetrovsk and Sumy [3].

We agree with Nikulin V. V. that factors that will act in the direction of reducing unemployment in Ukraine are:

- the immensity of unmet demand and the ability to create new jobs in many sectors, especially in services;
- the hitherto underdevelopment of the private sector and the shadow economy, which in the case of cancellation of the administrative pressure can attract a significant portion of unemployed persons;
- the traditionally low wages and the weakness of trade unions, which cannot achieve the increase of the general level of wages, and the consequent restriction of demand for labor.

The state and territorial programs of employment of the population should be directed to the following:

- promoting the development in the structural rebuilding of the economy, creating the conditions for referral of laid-off workers primarily to the cost-effective productions and in the priority sectors of the economic complex;
- improving the system of the reproduction of labor power, combined with the development of jobs, vocational orientations, retraining and advanced training of the population, the efficient use of human resources;
- forming material, personnel, information, financial, scientific and methodological framework of the public employment service;
- measures promoting employment of the population living in the rural areas;
- facilitating the creation of new jobs for prisoners outside penitentiary [2].

Summary and Conclusions. As the main cause of unemployment is the imbalance in demand and supply of the labor force, that is why it is necessary to implement an active policy consisting of the measures aimed at increasing labor demand from both the public and private sectors of the economy; increasing the competitiveness of the workforce and ensuring conformity of the labor force and jobs; improving the process of employment.

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THEORETICAL CLASSIFICATION OF EVENTS FUNDAMENTALS FOR FORECASTING STOCK MARKET DYNAMICS

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ТЕОРЕТИЧЕСКИЕ ОСНОВЫ КЛАССИФИКАЦИИ СОБЫТИЙ ДЛЯ ПРОГНОЗИРОВАНИЯ ДИНАМИКИ ФОНДОВОГО РЫНКА

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Аннотация. В исследовании приведены базовые принципы анализа событий с целью прогнозирования рыночной конъюнктуры. Данный подход позволит более полно исследовать общие тенденции развития фондового рынка.

Ключевые слова: фундаментальный анализ, фундаментальные факторы, фундаментальные новости, события, слухи, неожиданный случай, тип события.

Abstract. Event analysis basic principles were presented for the market conjuncture prognosis in the research. This approach gave an opportunity for complete research of the stock market general trends.

Keywords: fundamental analysis, fundamentals, basic news, events, rumors, unexpected event, type of event.

Introduction. The market's reaction to those or other events is largely due to the type of market efficiency, which historically formed in the country. Russian stock market is still emerging and thus has a weak informational efficiency, which is typical for the achieved level of development. This leads to the fact that the reaction of the market do not reflect the processes occur in the economy.

The main text. Related event devoted to the analysis of many studies, despite the fact that it is quite a new phenomenon in the practice of stock market analysis. In this regard, it is worth mentioning the work Humpage Owen (1984) and Dominguez and Frankel (1993) [8, 9] However, its further development is due primarily to the improvement of information systems and the advent of high-performance computers, which in real time can handle huge amounts of information and make decisions on carrying out operations on the market, including and without human intervention.

At the same time it remains, a number of unresolved problems remain:

1. It does not develop a common classification of events affecting the market situation, and those that are oriented to the western system of information, which in our country is simply not available.

2. In addition, the type of event, its features are either not taken into account at all, or is assessed subjectively on an ordinal scale, which is permissible, but it must take into account the history of the event, the "background" on which there are changes in the modern society.



3. In order to allow for this feature affecting assessment of Event economic actors need their registration in the form of a specific event database.

Based on the goals, the purpose of the study is to establish a classification of events that, in the first place was systemic in nature with consideration of all the evidence of the event, and secondly meet Russian realities of the Information Space and the third was suitable for the subsequent formalization and automated processing.

All the fundamental factors to classify into four categories: economic factors, fiscal policy, political developments, the crises. The main attention is usually paid to economic factors, and some elements of fiscal policy [1, 4, 5]. They are the main subject of study in the fundamental analysis, because there is a direct causal link between the economy and the financial markets. A positive aspect here is that economic data and key financial indicators are published widely, at least for the major market economies, and published according to the schedule. [4, 2, 3] Of course in our country this system is almost no information, so event-analysis is in fact the only effective tool. Development of a method of analysis allowed the event to test the efficiency of the market when you exit any of the typical company's news events. A feature of the recommendations is also the fact that their influence can be viewed as short-term, which greatly improves the accuracy of the method used, the results of event analysis. [6] Events can be classified as macro-economic, political, natural, etc. The events also include gossips, which sometimes can lead to significant changes in quotations on the financial markets, especially when they come from well-known and influential people in the world politics. [7] The events can be divided into two broad categories: the expected and casual. Moment of occurrence of expected events is known in advance. Each event has a different effect on the price / value. Unexpected events have a short-term impact on the cost, it is unlikely - the medium-term, the likely - the long-term. There are also other attempts to classify events and bring them all is not advisable. On the basis of different approaches to the content of fundamental analysis, we will try to develop a classification rather bigger events affecting the change in the index taking into account the availability of information:

1. At the level of analysis: microeconomic event industry event, macroeconomic events.

2. For the duration of exposure, are following events: a short period (up to 1 day), long period (several years).

3. By the force of the impact: insignificant event (the index does not change), a significant event (index changed significantly, but the trend is stable), an event that causes the change in trend.

4. the impact of mind, "bullish" event "bearish" event.

5. the possibility of foresight: the expected (planned) developments, unexpected (unplanned) events.

6. In place of occurrence of the events: internal events, external events.

7. According to the type of event: the political, economic, sociological, technological, ecological, force majeure, gossips and expectations.

This classification is summarized as follows (Fig.1.):

The point of this approach is to create a framework for classifying previously presented events in order to detect statistically significant relationship between them



and the changes in the indices. Accordingly, it is necessary to form the presentation of the research base and its main characteristics, as well as the requirements fixed by the information, the way of reflection.

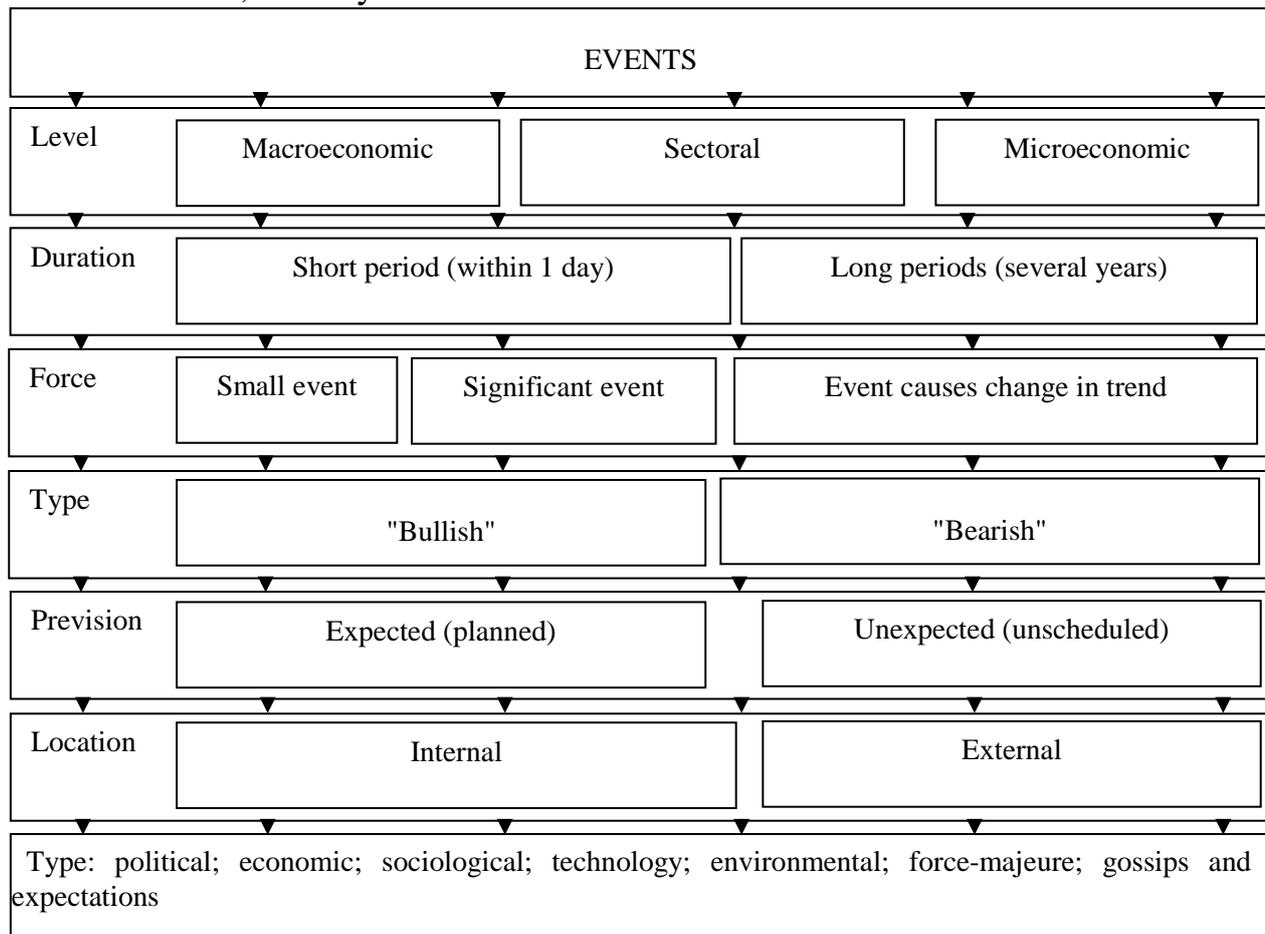


Figure.1. Events classification of fundamental analysis

Summary and Conclusions. Since the events of an economic or political nature can affect the behaviour of the market during the time period lasting up to several weeks, months or even years, it is clear that the use of fundamental analysis is justified only on the basis of long-term forecasting. On the basis of the classification of events, developed the basic requirements for the presentation of event data base for further analysis. The purpose of such a database – to create a new domain for the formalization of diverse events.

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**COMPETITIVE ABILITY OF UKRAINIAN AGRICULTURAL
MACHINE-BUILDING ENTERPRISES IN THE WORLD MARKET**

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**КОНКУРЕНТОСПРОМОЖНІСТЬ ПРОДУКЦІЇ УКРАЇНСЬКИХ
ПІДПРИЄМСТВ СІЛЬСЬКОГОСПОДАРСЬКОГО
МАШИНОБУДУВАННЯ НА СВІТОВОМУ РИНКУ**

Abstract. In the article competitive ability of national agricultural machine-building enterprises in the world market has been analyzed. It is defined that the level of competitiveness of western agricultural machinery is much higher than the national one with regard to reliability and economy, ergonomic characteristics, range and support service. The most significant index of competitive level of domestic production is its relatively small cost in comparison with modern foreign machinery.

Key words: products competitiveness, competitive ability of products of agricultural machine-building enterprises, world market of agricultural machinery, competitive advantages.

Анотація. У статті проаналізовано конкурентоспроможність продукції підприємств вітчизняного сільськогосподарського машинобудування на світовому ринку. Визначено, що рівень конкурентоспроможності західної сільськогосподарської техніки на порядок вищий за вітчизняну за надійністю та економічністю, ергономічними характеристиками, асортиментом та сервісним обслуговуванням. Найбільш вагомим показником рівня конкурентоспроможності продукції вітчизняного виробництва є лише відносно невелика вартість продукції у порівнянні з сучасною імпоротною технікою.

Ключові слова: конкурентоспроможність продукції, конкурентоспроможність продукції підприємств сільськогосподарського машинобудування, світовий ринок сільськогосподарської техніки, конкурентні переваги.

Introduction. Globalization processes of the world economy and Europe-aimed choice of Ukraine have resulted in the increase of competitiveness both in the world and home markets. It especially relates to the industries of machine-building complex, which are fund-creating and from the development level of which domestic economy competitiveness depends to a great extent. However, the analysis of the current status and trends of the development of Ukrainian machine-building complex and also its operating procedures indicates that premises necessary for fundamental changes related to the enhancement of domestic products competitiveness are still lacking.

Developed countries pay significant attention to the study of the given problem. Theoretical achievements concerning the problem study are reflected in the scientific



works of economists: G. Azoyev [2], M. Porter [6], D. Yudanov [9], P. Zavyalov [10], R. Fathutdinov [3], etc. But in Ukraine the study of the problem under discussion still remains in its initial phase. The first results of the research work related to the problem were published in the works of domestic experts: Adamchuk, V. [1], V. Kravchuk [4], T. Tsema [8] and others. These works deal with the issues of the development of national and international agricultural machinery market. Nevertheless, despite numerous achievements certain aspects of the problem of the analysis of products competitiveness of Ukrainian agricultural machine-building enterprises in the world market require refinement.

The aim of the article is to analyze products competitiveness of domestic agricultural machine-building enterprises in the world market.

The main text. Contemporary world market of agricultural machinery is estimated at nearly €40 billion. Dominating roles in the market belong to the countries of the European Union (40%) and the USA (35%), 25% belong to the other countries of the world. Among 15 countries of the EU 70% of machinery selling is carried out by the four most developed countries – France, Germany, Italy and England.

The European Union is not only the world's biggest consumer of agricultural machinery but is one of its biggest exporters as well. Total export of agricultural machinery from the EU to the rest of the countries of the world is estimated at €5 billion that is 25% of the world market. The major buyers of European machinery are the USA, Japan, Australia, North America [1, 4].

At present machine-building for agricultural industry is characterized by a higher degree of production concentration and specialization. Intensive competitive processes in the production of tractors and harvester-threshers caused the establishment of six powerful multinational manufacturers – “John Deere”, “CNH”, “AGCO” (USA), “Claas” (Germany), “SDF” and “Agro” (Italy), – that include numerous enterprises of machinery-makers worldwide. The mentioned processes and competition in the world market of technologies for agro-industrial complex are continually raising requirements for technology, its engineering specifications and influence the improvement of agricultural technology.

Agricultural machinery traditionally holds a significant place in the structure of machine-building complex of Ukraine. The largest machine-building centres of Ukraine are Kharkiv, Odesa, Kirovohrad (Kropyvnytskyi), Dnipropetrovsk (Dnipro), Ternopil, Kherson, Berdyansk, Lviv.

Presently, Ukraine is facing an acute problem of manufacturing agricultural machinery decline because of a continuous process of its reduction, physical and moral degradation of the existing machine and tractor park. It is explained by not high paying capacity of the majority of the enterprises-users in this industry that doesn't allow them to buy machinery of the needed quality and quantity. Competitiveness level of western agricultural machinery is much higher than the local one with regard to safety indexes and economy, ergonomical characteristics, range and support service. The most significant index of competitive level of domestic production is its relatively small cost in comparison with modern foreign machinery.



Currently machinery output of local enterprises is decreasing; certain enterprises don't operate or ceased to exist at all. The situation is critical: agricultural producers are half provided with machinery and 90% of the existing machine and tractor park needs renovation. Machinery manufactures having lost market outlets phase out their production and don't upgrade their capacity, 10%-20% of which is exploited. Depreciation of equipment reaches 70%-80% whereas its average age makes 30-35 years [5, 7]. The direct effect of such state of affairs in agricultural machine-building of Ukraine is low productivity and high level of enterprises' unprofitableness.

Products of machine-building of Ukraine for agro-industrial complex can still be exported only to the countries of CIS, most of which are not the members of WTO, and also to the countries of Africa, East and Southwest Asia and to the countries of the Caribbean region and South America (Chile, Peru, Ecuador, Venezuela, Colombia, Guiana). As to the export capabilities of Ukrainian machinery to the countries of Western Europe, the USA and Canada their consumers (having enough finances) prefer to buy reliable safe machinery with high consumer appeal which can't be provided by Ukrainian machine-building enterprises because of the abovementioned reasons.

Expert analyses prove that if the mentioned trends continue, expenses on the purchase and maintenance of foreign machinery will reach 30% of gross domestic production of agricultural machinery in Ukraine in the nearest years [5, 7]. Such state requires continuous improvement of competitive ability of the products of agricultural machine-building enterprises, their expansion in the relevant market through modification or release of samples that will meet consumer needs at a higher level.

Ukraine's bet on import agricultural machinery is purposeless from economic and social policy, since it will result in the loss of industrial and technological capability, unemployment, import dependence, it will weaken the position of food supply security and reduce government revenues.

On the other hand integration of national and foreign enterprises together with wide usage of modern materials and qualitative element base of foreign machinery is possible and desired. Ukraine requires domestic high-quality tractors and agricultural machinery, equipment for food processing industry.

Western manufacturers of agricultural machinery show strong interest in Ukrainian market. The main form of collaboration of the top western companies still remains import of agricultural machinery into Ukraine and establishment of joint ventures with home producers with further armory of the machinery with motor units and component parts of Ukrainian manufacture. Active work is being done in our country for attraction of leading foreign companies to the establishment of joint ventures manufacturing new machinery of high technology level. It enables to get access to advanced manufacturing sciences, to improve products quality using foreign credit tranches.

As for the establishment of Ukrainian production of agricultural machinery competitive in the world markets, experts [1, 4, 8] consider necessary to elaborate and take the following steps: to implement structural reforms of national agricultural machine-building on basis of establishment of national and international industrial



and financial mergers; to buy abroad licenses and to organize production of agricultural machinery, motor units and component parts including minimachinery; to provide conditions for the establishment of joint ventures aimed at manufacture of agricultural machinery; to improve existing and to elaborate new regulations concerning government support of technical and technological modernization of agrarian production and priorities for the development of national agricultural machine building.

Summary and Conclusions. Hence, we can say that Ukraine will manage to take worthy place in the world economy only when a powerful range of competitive companies able to compete with leading world companies is formed. Such state of things demands agricultural machine-building enterprises to raise the level of competitive ability of their products continuously, to expand in the relevant market through modification or release of samples that meet consumer needs at a higher level in comparison with the products of competitive enterprises. Production of competitive agricultural machinery can contribute to the formation of new market needs, expansion of domestic enterprises in the market, first of all through the quality improvement, consumption cost reduction and provision of additional competitive advantages. In case of future sufficient financing, realization of technological upgrading, marketing improvement of enterprises Ukraine will become a leading manufacturer of agricultural machinery.

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**DEVELOPMENT OF SOCIAL RESPONSIBILITY OF BUSINESS IN
AGRARIAN FORMATIONS**

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**ФОРМИРОВАНИЕ СОЦИАЛЬНОЙ ОТВЕТСТВЕННОСТИ БИЗНЕСА В
АГРАРНЫХ ФОРМИРОВАНИЯХ**

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Abstract. The article reveals peculiarities of modern approaches to development of social responsibility of business in agrarian formations. The author describes obstacles, preventing its development. The research determines economic, social and ecological goals for efficient development of social responsibility of agrarian business.

Keywords: corporate social responsibility, agrarian formations, agrarian business, agricultural production, the mechanism of corporate social responsibility.

Аннотация. В работе рассматриваются особенности современных подходов к формированию социальной ответственности бизнеса в аграрных формированиях. Выделены препятствия, сдерживающие ее развитие. Определены экономические, социальные и экологические цели для эффективного развития социальной ответственности агробизнеса.

Ключевые слова: социальная ответственность бизнеса, аграрные формирования, агробизнес, аграрное производство, механизм социальной ответственности бизнеса.

Introduction. Under current conditions of European integration processes and entry of agrarian formations into international markets, problems of social responsibility of business, being a constituent of corporative strategy, is an actual one. Issues of social responsibility are urgent for agrarian formations, because they not just make base for economic relations, but have considerable effect on social processes, happening in the country and outside it.

Social responsibility of business is a concept, stimulating agrarian formations to improve efficiency of production, motivation and productivity of labor, establish reputation, overcome crisis situations, attract consumers and create all conditions for holding of employees, etc.

Focus of agrarian formations only at economic results is getting less important, whereas its social component becomes an obligatory constituent for business success, increase of profitability and competitive capacity.

Development of social responsibility of business in agrarian formations is studied in the works of such scientists as A. Sava, Yu. Koniukhov, I. Komarnytskyi, L. Yevchuk, Z. Halushka and others.

However, considering rapid development of society, problems of



implementation of the concept of social responsibility of business in agrarian formations need the further research.

Aim of the article is to argue nature and development of the mechanisms of activation of social responsibility of business in agrarian formations.

Main material. Business and society are inseparable notions and thus, responsibility of organizations before society is inevitable and important, as, on one hand, modern society is based on competition and on the other – on the standards of moral and civil relations.

In Ukraine, social responsibility of business is in the progress since approval of the Memorandum on responsibility of business on December 16, 2005, which defines principles and tasks of socially responsible business. According to the Memorandum “social responsibility of business is revealed in responsible attitude of any company to its product or service, consumers, employees, partners, active social position of the company, expressed in harmonious co-existence, interaction and persistent dialogue with society, participation in solution of the most urgent social problems” [1].

Social activity of an enterprise is defined in the Article 69 of the Economic Code of Ukraine, describing its essence and principal directions of development. Particularly, it determines that security of appropriate and safe labor conditions and training of qualified personnel for the subjects of agrarian business is a priority direction, and special attention is paid to ecological component of social activity [2].

Under conditions of socially focused market economy, social responsibility of business should become a common tradition, maintained by all business entities, including agrarian formations.

An agrarian formation can be generally considered as a social organization, being a unity of people, possessing standard-role and status structure, and its elements are represented by individuals, social groups and resources, joint by a common process to achieve a common goal. Members of the organization perform their functional role for some benefit.

Sava A.P. notes that social responsibility of agrarian business should be considered as a process to solve socially important problems both in the very business and at municipal, regional, national and global levels [3, p. 105]. As a result, socially responsible agrarian formations are those, carrying fair productive-economic activity, supplying development of work collective, allocating funds for healthcare of employees and security of appropriate labor conditions, applying resource-saving technologies of production and supporting development of rural territories.

However, there are some obstacles on the way of development of socially responsible business in agrarian formations, in particular:

- absence of common comprehension of its nature;
- additional expenses for social responsibility;
- lack of experience of implementation of socially responsible measures;
- imperfection of regulatory base as to support of fulfillment of social responsibility;
- lack of common standards of public social reporting of enterprises;
- poor experience of participation in social responsibility;
- lack of knowledge on possibility of participation in social projects



implementation, etc.

Nowadays, social responsibility of business is developed only at large enterprises, agroholdings and companies with foreign investments, whereas subjects of small and mediate business are not interested in its development, explained by the absence of stimulating legislative standards.

There are no accurate standards of social responsibility of agrarian business and they can be changed at each stage of development of society of each separate country, particularly its cultural peculiarities, historical development, etc. Concepts of social responsibility of agrarian business differ in their dependence on national social-economic priorities, being influenced by historical and cultural factors [4].

We agree to the idea of Komarnytskyi I.F., Halushka Z.I. that process of management of socially responsible business can move in two key directions: internal and external spheres of business socialization. Sphere of internal instruments includes socialization of relations with personnel of an organization, where it is proposed to use a system of management of professional safety according to the international standards OHSAS 18000 and system of quality management, established according to the international standards ISO 9000. In the sphere of external socialization of business, attention is paid to the system of ecological management according to the standards ISO 14000 and to the system of standards of ethic behavior of the company at a market (the last version of the International standard of social responsibility ISO 26000) [5].

According to the international standard ISO 26000:2010 “Guidance on social responsibility”, socially responsible activity of agrarian business entities is only possible under conditions of three kinds of coordination or interactions:

- between organization and society as to their expectations and mutual impact of their decisions and actions (responsible behavior);
- between organization and its interested sides as to ethically responsible potential or real effect on separate individuals and organizations;
- between interested sides and society as to coordination, correspondence of the interests of interested sides, being influenced by organization, and expectations of society, because though the interested sides make part of a society, they can have interests, not corresponding to expectations of the society [6].

Considering all mentioned above, social responsibility of agrarian business is an objective mechanism of transformations of the whole system of economic relations and agrarian economy. It is directly connected with modern tendencies of development and increase of requirements to the process and results of production and is an instrument of management of modern business entities, strategically focused at strengthening of their market positions and rise of their activity efficiency in the future.

Social activity of agrarian formations in business substantially depends on active state regulation. Stimuli (tax benefits, reimbursements for ecologization of agrarian production, increase of quality and safety of agrarian products, etc) make one of the most important instruments of it. Efficiency of such stimuli depends on transparency and efficiency of the application mechanism and they should be legally approved. However, introduction of the state into the field of social responsibility should have



frame character of recommendation. We agree to L.A. Yevchuk that the state should create such environment for agrarian formations, in which they will be interested to increase level of social-economic conditions of a village [7].

Nowadays, in Ukraine one can distinguish some companies of agrarian business, which implement great social projects. Among them are Company “Mriia Agroholding”, Holding “Agro-Soiuz”, Agroholding “Astarta-Kyiv”, PJSC “TAKO”, Company “Nibulon”.

Since social responsibility of agrarian business is a permanent process, it is necessary to accept an appropriate strategy and program of actions. In the context, the most reasonable step is to approve a corresponding National strategy of social responsibility of business in Ukraine, which should definitely approve position of the state in the field.

Actualization of development of social responsibility of agrarian business is forced by its substantial impact on achievement of economic, social and ecological goals, fulfillment of which can be considered as a base to increase competitive capacity of separate enterprises and national economy in general (fig. 1).

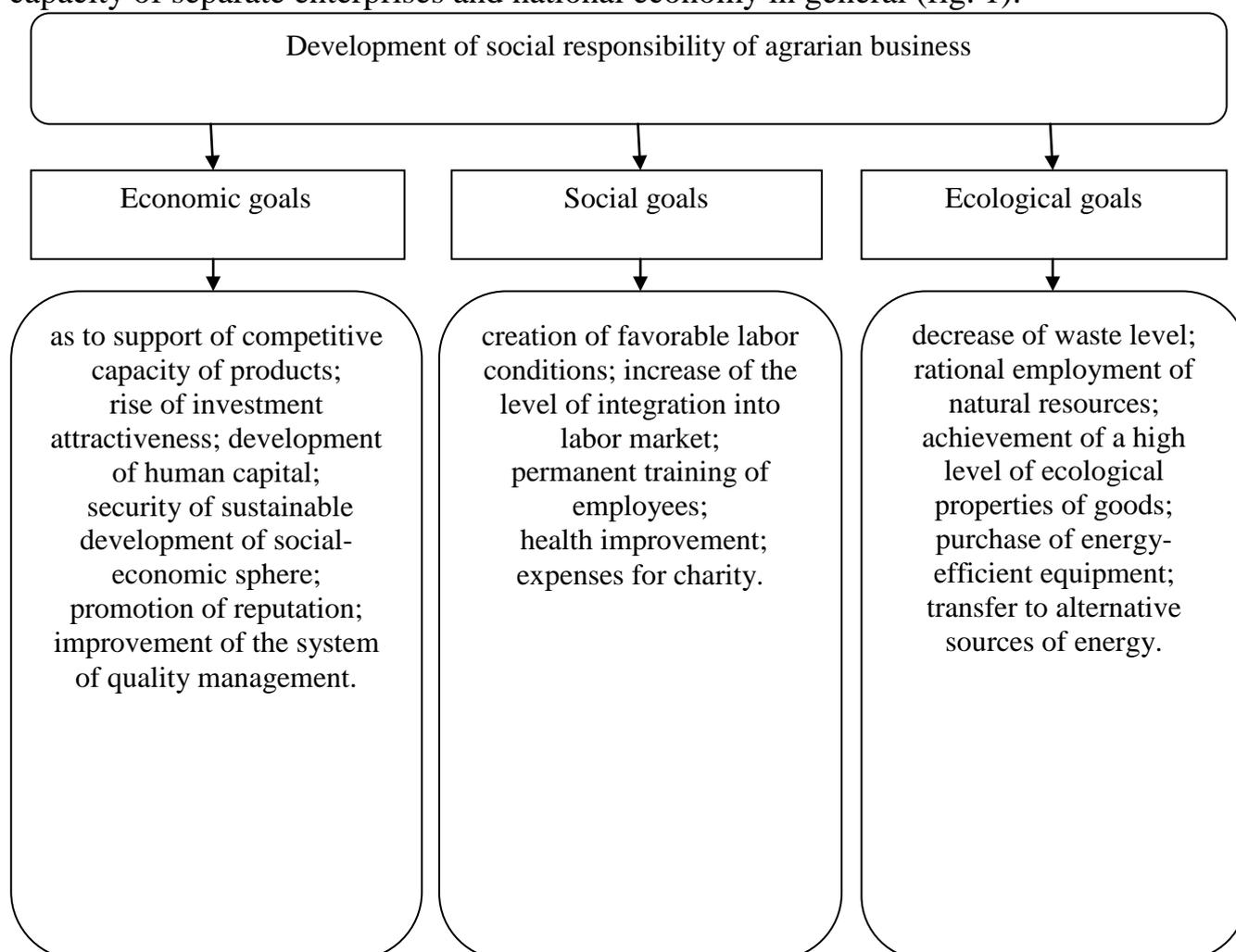


Figure.1. Development of social responsibility of agrarian business

Summary and Conclusions. To solve to problems of development of social responsibility of business in agrarian formations it is necessary:

- to make entrepreneurs to understand essence and strategic importance of



socially responsible position for improvement of competitive capacity of an enterprise at a market;

- to establish partner network, providing great possibilities for its participants to promote corporative reputation at regional and macroeconomic levels;

- to develop an efficient mechanism of state regulation of social responsibility of business;

- to support work of all interested sides as to introduction of long-term common social projects and programs; to develop standards of public social reporting of enterprises.

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Voiku I.P., Efimova A.A., Stepanova E.V.
**PROFITABILITY AND FINANCIAL INDICATORS IN CROP
 PRODUCTION OF THE PSKOV REGION**

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Войку И.П., Ефимова А.А., Степанова Е.В.
**РЕНТАБЕЛЬНОСТЬ И ПОКАЗАТЕЛИ ФИНАНСОВОГО СОСТОЯНИЯ
 В РАСТЕНИЕВОДСТВЕ ПСКОВСКОЙ ОБЛАСТИ**

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Abstract. The article presents the result of the analysis of the dynamics of the level of profitability of the crop, as well as the financial condition of agricultural producers, estimated as the coefficient of current liquidity, security own circulating assets and securities financial liabilities / assets. Presents the result of evaluating the changes in the volume of state support of development of crop production in Pskov region.

Key words: crop production, profitability, financial condition, liquidity, security, state support, districts

Аннотация. В статье представлен результат анализа динамики уровня рентабельности отраслей растениеводства, а также финансового состояния сельскохозяйственных производителей, оцененного с помощью коэффициентов текущей ликвидности, обеспеченности собственными оборотными средствами и обеспеченности финансовых обязательств активами. Представлен результат оценки изменения объема государственной поддержки развития растениеводства Псковской области.

Ключевые слова: растениеводство, рентабельность, финансовое состояние, ликвидность, обеспеченность, государственная поддержка, районы

Agricultural industry occupies an important place in the economy of the Pskov region. There are 232 agricultural enterprises of various legal forms of organization, 505 peasant (farmer) enterprises and individual entrepreneurs, 89,6 thousands private subsidiary farms in the region. All of them in a varying degree are engaged in crop production.

Agricultural area - the main means of production - decreased by 2.9 times since 1990 in all categories of enterprises and at the end of 2013 amounted to 441.8 thousands hectares, 55.4% of which is used now in the quality of the crop acreage.

In large part because of the leading position of the dairy farming in the agro-industrial complex of the Pskov region, the structure of acreage is dominated by forage crops, which occupy more than 80%.

The gross grain harvest in weight after processing decreased by 4 times since the early 1990s, hay, annual and perennial grasses – by 6 times. The gross harvest of forage root crops decreased by more than 14 times over the past 10 years.

Against this background, there is a two-fold increase in the yield of grain and



leguminous crops, flax, forage root crops and potatoes.

The trends in physical indicators and economic conditions of production are reflected in the effectiveness of the agricultural producers. The dynamics of the level of profitability of the main crops are multidirectional. However, the general vector, characterizing the profitability of the crop production, is in the positive area (Figure 1).

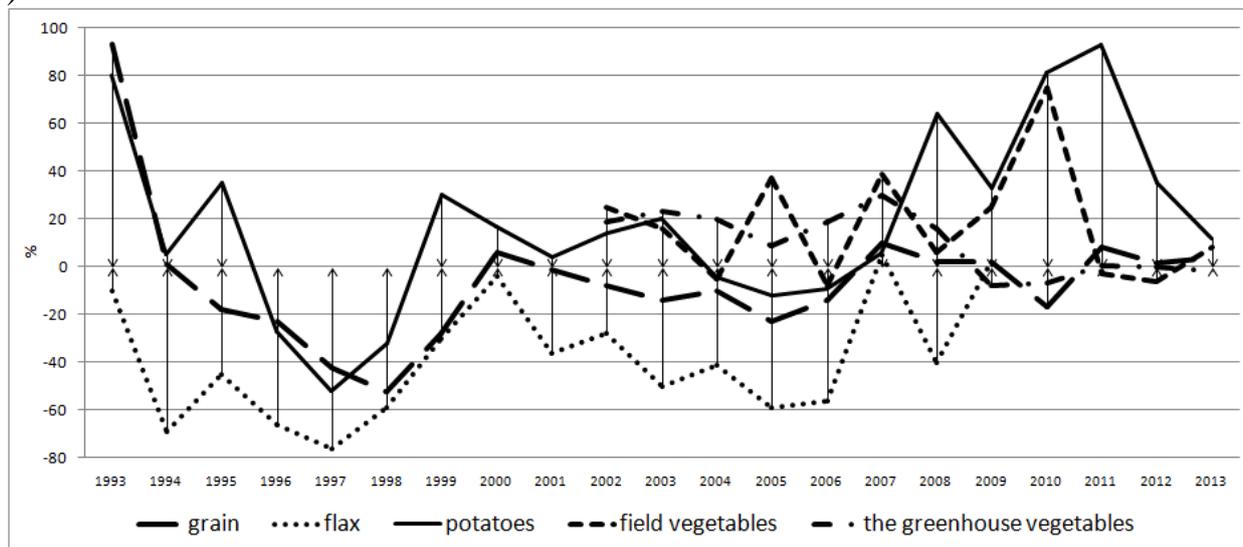


Figure 1 - The dynamics of the level of profitability of the crop production sectors in the agricultural enterprises of the Pskov region, %

The estimation of the efficiency of industrial activity of the agricultural producers is characterized by a number of relative economic indicators, not the least of which are occupied by profitability of costs and profitability of sales.

The profitability of costs is calculated by relation of the sales profit to the amount of costs of the sales. It shows how much profit enterprise has from each ruble spent on the production and sale of products, and it can be calculated for the whole enterprise and for individual products.

Out of 239 analyzed agricultural enterprises of the Pskov region, engaged in the crop production, only 139 have a positive (non-zero) annual average value of the indicator. The remaining 100 analyzed industry players is characterized by unprofitability of the main activity.

The profitability of sales (turnover) is calculated by dividing the sales profit, works and services before payments of interest and taxes to the amount of received revenue. This indicator shows the effectiveness of industrial and commercial activity (how much profit the company has from each ruble of sales). Out of the 240 analyzed enterprises only 66 have a positive (non-zero) annual average value of the indicator. The remaining 174 of the industry players is characterized by unprofitability of sales from the main activity.

Financial condition of the agricultural producers is estimated by using current liquidity ratios, availability of own circulating assets and the provision of financial liabilities by the assets.

Data base, which includes information on supplies, debt receivables, short-term financial investments, cash, current assets, capital and reserves, deferred income,



short-term liabilities, revenue, sales profit and net profit of agricultural enterprises of the region, is used for the calculation of the indicators.

Table 1
The dynamics of the indicators of the financial condition of the crop production by administrative districts of the Pskov region

District of the region	Current liquidity ratio			Ratio of availability of own circulating assets			Ratio of provision of financial liabilities by the assets		
	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2014	December 31, 2012	December 31, 2012
Bezhanicy	4,4	3,1	2,7	-3,4	-2,1	-1,7	0,4	0,4	0,4
Velikie Luki	2,9	1,3	0,6	-1,9	-0,3	0,4	0,6	0,9	0,9
Dedovichy	2,3	2,3	1,7	-1,3	-1,3	-0,7	0,3	0,3	0,3
Dno	1,1	0,7	0,5	-0,1	0,3	0,5	0,7	0,8	0,8
Krasnogorodsk	3,7	4,6	4,5	-2,7	-3,6	-3,5	0,6	0,6	0,6
Kun'ja	0,8	2,1	1,5	0,2	-1,1	-0,5	0,9	1,1	1,8
Loknja	1,6	1,1	0,7	-0,6	-0,1	0,3	0,2	0,3	0,5
Nevel'	1,3	0,9	0,8	-0,3	0,1	0,2	0,6	0,8	0,9
Novorzhev	6,6	8,2	9,7	-5,6	-7,2	-8,7	0,1	0,1	0,1
Novosokol'niki	1,7	1,5	1,6	-0,7	-0,5	-0,6	0,6	0,5	0,5
OPOCHKA	1,7	1,7	2,1	-0,7	-0,7	-1,1	0,3	0,3	0,3
Ostrov	1,6	1,9	1,6	-0,6	-0,9	-0,6	0,6	0,7	0,6
Palkino	1,8	2,0	1,1	-0,8	-1,0	-0,1	0,4	0,4	0,6
Pechory	1,6	0,6	1,1	-0,6	0,4	-0,1	0,6	0,9	0,6
Pljussa	0,8	0,7	0,6	0,2	0,3	0,4	0,3	0,4	0,4
Porhov	1,5	1,4	1,4	-0,5	-0,4	-0,4	0,6	0,6	0,6
Pustoshka	4,5	3,7	3,4	-3,5	-2,7	-2,4	0,2	0,2	0,3
Pushkinskie Gory	1,7	1,5	0,7	-0,7	-0,5	0,3	0,3	0,3	0,6
Pytalovo	1,4	1,2	1,8	-0,4	-0,2	-0,8	1,0	1,0	1,1
Sebezh	2,8	4,8	4,2	-1,8	-3,8	-3,2	0,3	0,2	0,2
Strugi Krasnye	2,2	3,5	4,7	-1,2	-2,5	-3,7	0,2	0,3	0,4
Usvjaty	2,3	1,7	1,2	-1,3	-0,7	-0,2	0,3	0,3	0,3
Pskov	1,6	1,4	1,4	-0,6	-0,4	-0,4	0,5	0,4	0,4

The current liquidity ratio is defined as relation of the cost of short-term assets (the total of section II of the balance) for short-term obligations of a business entity (the total of section V of the balance). This ratio describes the degree of the coverage of short-term liabilities by short-term assets. The greater the value of short-term assets relatives to short-term liabilities, the greater is the confidence that the latter will be repaid. The excess of short-term assets over short-term liabilities provides a backup supply for the timely repayment of liabilities in case of cash flow failure or reduction of the market value of short-term assets. If this rate is in the range from 1.5 to 2.5, the enterprise has a stable financial means.

Out of the 150 analyzed enterprises only 35 have stable financial means at the end of the period.

If the ratio is below 1, the company is exposed to a large financial risk (36 agricultural enterprises of the Pskov region). If it is greater than 2.5, it may be due to inefficient use of the capital or providing false information about their activities (64 companies of the analyzed).



The ratio of availability of own circulating assets, or rather the share of net circulating assets, is calculated as the relation of the difference between the totals for section II and section V for the total for section II. This ratio reflect not the availability of the business entity of its own circulating assets, but the share of net circulating assets in their total amount, which remains at the disposal of the organization after the execution of short-term liabilities. The excess amount of circulating assets over short-term liabilities is provided by long-term sources, its own funds and long-term borrowings can be these sources. At the normal operating organization, this indicator ranges from zero to one.

Out of the 191 analyzed organizations the ratio of availability of own circulating assets of only 59 enterprises corresponds to the normative range.

The ratio of provision of financial liabilities by the assets (K3) is calculated as the relation of the sum of the totals for sections IV and V of the balance for the total balance. For the normal functioning organization this figure ranges from zero to one. The overwhelming majority (178 of 199) of the analyzed agricultural enterprises of the Pskov region has this indicator value.

Since 1999 budget subsidies of part of the expenses of the agricultural producers contributes to the maintenance of profitability of the regional crop production (Figure 2).

In terms of volume of the provided state support, according to target-oriented programs and arrangements of the crop production development, Velikie Luki, Novosokol'niki, Ostrov, Pskov, Porhov and Bezhanicy districts are in the lead (Figure 3).

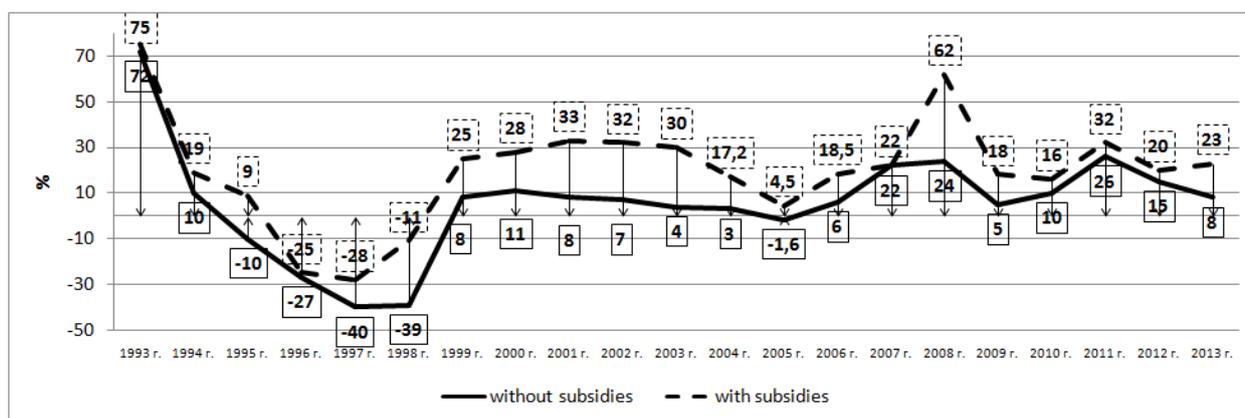


Figure 2 - The dynamics of the crop production profitability of agricultural enterprises of the Pskov region, with and without subsidies, %

These districts account for 69.08% of the total state support for development of the regional crop production (2.01% more than in 2013).

In spite of the overall decrease in the volume of the state support for development of the crop production by 17.26 million rubles, 35 agricultural enterprises of the region (highlighted in the table) received an increased amount of state support from the budgets of different levels. In general, this contributes to maintaining the state of the crop production profitability of agricultural enterprises of the Pskov region at the minimum acceptable level.

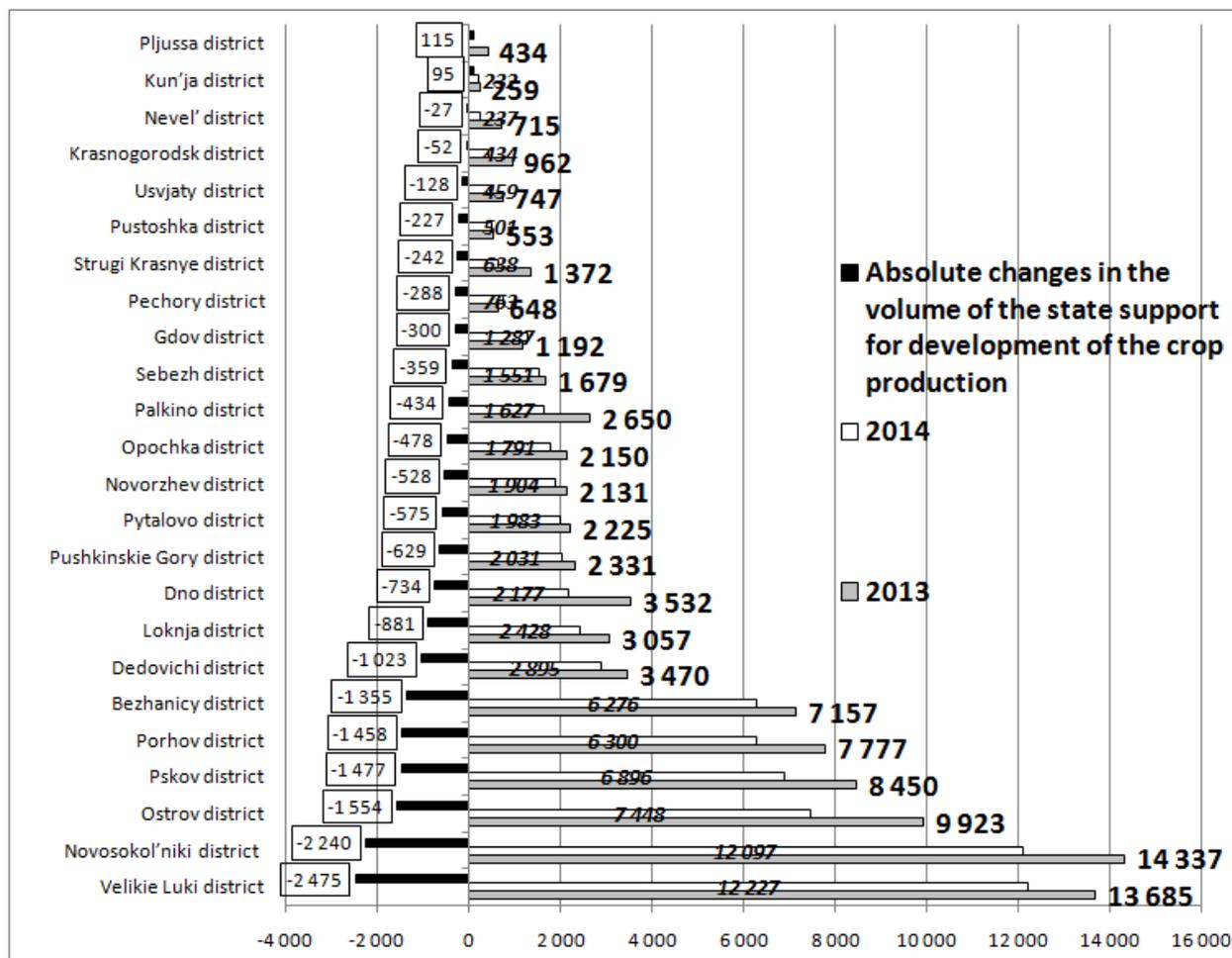


Figure 3 - Absolute changes in the volume of the state support for development of the crop production for 2013-2014, thousand rubles

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**DIFFERENT ASPECTS OF EMPLOYMENT OF OLDER PERSONS
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**НЕКОТОРЫЕ АСПЕКТЫ ЗАНЯТОСТИ ЛИЦ СТАРШЕГО ВОЗРАСТА
НА ДАЛЬНЕМ ВОСТОКЕ РОССИИ***Российский государственный университет правосудия,
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Abstract. In this paper author treat the problems of development in the Far Eastern. Great consideration has been given to the regional population, the formation of permanent population, and employment.

Key words: The Far Eastern Federal District, economic development, population, employment, migration, older persons

Аннотация. В работе рассматриваются проблемы развития Дальнего Востока России с позиции занятости населения. Особое внимание уделено вопросу занятости лиц старшего возраста.

Ключевые слова: Дальний Восток России, занятость, экономическое развитие, население, миграция, лица старшего возраста

Introduction.

Russian Far East is the most distant Russian region, which include in The Far Eastern Federal District. According to the 2016 census, Far Eastern Federal District had a population of 6,4 million. Nowadays Far East is the most depopulation region of all country because of demographic loss, which compound 1,8 million people or 22 percent respectively over the twenty years.

The main text.

The strategic national goal is being define as creating conditions for progress market comparative advantages of regional economy sphere and thereupon supporting regional economy system development in the context of international and intergovernmental division of labor ensuring a high standard of living for regional population. The strategic Russian long-term goals for the Far East are guaranteeing political, economic and military influence on the Asia-Pacific Region, control over the important stocks of raw materials and benefiting from effective inclusions into international division of labor. According that the Far Eastern development could and will be able to maintain conditions for consolidation Russian Federation as a world leader.

The Far Eastern sectoral structure has a specific features. At the beginning enterprise industry based on extractive raw material industries.

The graph in picture 1 shows the region situation, where the share of mining industry is 57 percent (23% for Russia as a whole). It is known that rise enterprise industry means labour demand growth and properly lower unemployment rate. It can't be deny that very important part of development has investment base.

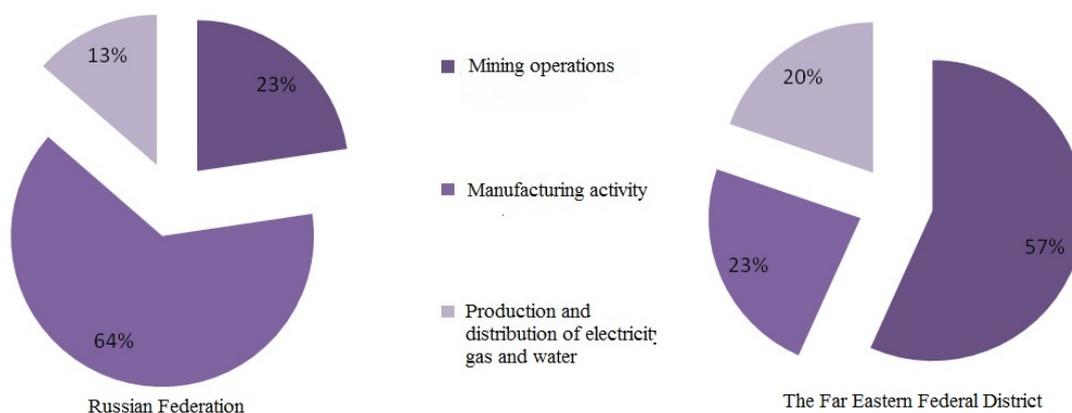


Figure.1. Industry structure in 2014

There has been an increase in fixed capital investment in whole. But it is not enough for full-fledged development. In 1996 the president of Russian Federation contended Program to Promote Economic and Social Development for Far Eastern and Transbaikalia regions, which will implement before 2025. Adopting the bill helps to solve some problem, but doesn't change the situation in whole. Supporting region by federal budget's investment - these calculations proved to be wrong. Government investment program implemented only on 9 percent before 2010 and recruiting external resources blocked by neoliberal ideas of unify economic area.

Nevertheless attention should be given to the fact, that investment behavior shows more improvement, in spite of underinvestment and unattractive and unstable investment regional climate. Comparative potential in getting foreign investment means opportunity to implement exploitation of natural resources and international relations projects.

The main threats to balanced social and economic development are regional exclusion from the domestic and world (for example - Commonwealth of Independent States (CIS)) markets, because of expansion of economic harassment on the western margin of Transbaikalia, which is related to home market narrow and sharp decline of internal demand (as a main reason of economic development); decapitalization of main regional economic spheres because of fixed asset's wide-ranging increasingly rapid obsolescence as a result of investment stagnation; continuing growth of migration, which means labor shortages; raw-material orientation, what means limiting how a region will be able to search internal capital to invest itself even though mining operations will progress.

It is indisputable that all groups of economically active population in the working ages are different. The tables 1 shows distribution of employed population by economic activity in 2015.

Table 1

Distribution of employed population by economic activity in 2015

	before 20	20-29	30-39	40-49	50-59	60 over	Mean age
Russian Federation	1,3	23,2	24,5	26,4	20,6	4,0	39,9
Far Eastern Federal District	1,5	23,3	25,3	24,9	20,1	4,9	39,9



Data in Table 1 shows that mean economic age in Russia coincide with The Far Eastern mean age. Economically active population of senior citizen is 25 per cent (24,6% in whole).

Table 2**Total number of unemployed in 2015**

	Total	Ages						Mean age
		before 20	20-29	30-39	40-49	50-59	60 and over	
Russian Federation	100	9,3	33,7	20,3	20,3	14,2	2,2	34,7
Far Eastern Federal District	100	8,7	35,2	21,3	17,1	13,8	3,9	34,9

Keeping the current reduction working-age population rates and process of population ageing can be a reason of deceleration able-bodied population and increase of senior citizen. Undoubtedly all of these affects will have a significant impact on region supply of labor.

Table 3**Age unemployment level in 2015
(in percentage of economically active population)**

	Total	Age					
		до 20	20-29	30-39	40-49	50-59	60 and over
Russian Federation	6,3	25,8	8,9	5,4	4,8	4,6	3,8
Far Eastern Federal District	7,9	29,9	11,5	6,8	5,4	5,5	7,4

Data in Table 3 shows that unemployment senior citizen's number in the Far Eastern Federal District more, then in Russia in whole (17,7 per cent and 16,4 per cent, respectively). On this basis authors pay attention to the fact, that Far Eastern unemployment doesn't tend to be cyclical and there are some reasons for it: the conventional manpower deficit in the Far East; industrial structure's deformation, which means needs in huge number of working-age population; massivity and rigidity economy late reacts to invest and others alterations. The senior citizen's situation has the same features. The Far Eastern unemployment can be characterize by low mobility of labor force, seasonal element and great number of foreign workers.

The number of state employees in Far Eastern Federal District is in principle the same as in Russia in whole.

Table 4**State employee's structure (in percentage of total number state employees)**

	Age					
	before 30	30 - 39	40 - 49	50 - 59	60 - 65	over 65
Russian Federation	28,5	26,5	23,2	19,6	2,1	0,1
Far Eastern Federal District	26,8	28,8	22,7	19,4	2,3	0,1

Objectively if we try to estimate state employee's structure, we'll see, that number of senior citizens, who work in government sphere, is 21,8% (the same in Russia in whole).

Meanwhile number of retired employees, who work in government sphere, is 6,5% in Far East (in percentage of total number of retired employees in government



sphere in Russia in whole).

The number of employees in municipal service in Far East is 30,8% (30,7% in Russia in whole). Meanwhile number of retired employees, who work in municipal service, is 8,5% in Far East (in percentage of total number of retired employees in municipal service in Russia in whole).

It is important to pay attention to new Goscomstat forecast, in which Far Eastern population size will decline on 11%, but in Russia in whole population change only for 3%. As so often, much will depend on migration's direction.

According to expert's information Russian won't be able to avoid an irrationally and rationally strong attraction of Central region in the coming years. According to Zh. Zaionchkovskaya migratory loss in the Siberian federal district will be 1 million people, in the Far Eastern Federal District – over half a million.⁶

It is indisputable fact that the Far East is a particular region of our country. The Far East has his special features of economic and geographic location (developed transport access, linked with important partners like Asia and Europe by logistical infrastructure), rich natural resources and high development potential. At the same time the Far East is a region with distinctive problems and the main of them is the problem of population and labor activity.

Summary and Conclusions.

It is necessary to take into consideration high migration mobility, especially young people. The majority of young people will ready to leave our region as soon as they have such opportunity. The most popular migration destination is Central or South Region. Besides that Far Eastern Federal District has another important problem – aging population, birth rate failing and some consequences belong to that. Saving the youth as a labor force must be fulfill by local population. The main aim for population policy in the Far East is formation permanent population with high standards of living, increase of labour productivity and labor activity's growth prospects.

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**THE RESEARCH OF THE LABOR POTENTIAL
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**ИССЛЕДОВАНИЕ ТРУДОВОГО ПОТЕНЦИАЛА ЛИЦ СТАРШЕГО
ВОЗРАСТА НА ДАЛЬНЕМ ВОСТОКЕ РОССИИ***Российский государственный университет правосудия,
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Abstract. In this paper author treat the problems of the labor potencial of the older people in the Far Eastern. The research was conducted from a position of studying of satisfaction of respondents quality of work life, learning about their preferences and intentions

Key words: The Far Eastern Federal District, population, employment, older persons, labor potential

Аннотация. В работе рассматриваются проблемы трудового потенциала лиц старшего возраста на Дальнем Востоке России. Исследование проведено с позиции изучения удовлетворенности респондентов качеством трудовой жизни, изучением их предпочтений и намерений.

Ключевые слова: Дальний Восток России, занятость, население, лица старшего возраста, трудовой потенциал

Introduction.

One of the worldwide tendencies to changing people's age where the percentage of children and teenagers decreases, at the same time the percentage of old people increases is called population ageing. Current process provided of mortality decrease and birth rate decrease is a result that each next generation will be less numerous than previous one. This process is featured for developed countries, but nowadays population ageing involves many countries especially Russia.

The implementation of labor potential of older people has lots of problems which were ruined by condition of regions isolation, like the Far East. Of course, it necessary to make good conditions for realization of economical initiative for older people to labor activity improvement. Thus, potential labor activity of older people has a conflict with conditions and factors of labor activity.

The main problem of current research is opposition in economic relationship territory, which affects older people's interests, such as: labor market, employees' work quality and labor behavior. From labor's behavior point of view, on the one hand is actual labor behavior; on the other hand is norms and life quality of older people in society.

In connection with this issue the main purpose of the research is analysis of labor activity of older people and factors influenced on this problem in the Far East.

Older people represent the special social community; specificity of community allows marking out as independent object of social and economic politics of the state.



Important interest has studying of behavior those who is working from older people in condition of region isolation because of reason like insufficient research of this problem. The labor activity of older people during forming of market relationships are in tight appointed dependence from external conditions and factors of shaping and implementation labor potential this social group like social-economic conditions, social and economic politics, social protection and employment politics and etc. However, internal factors are able really to correct labor activity level.

The expert survey was conducted for determination ways of regulation of labor activity of population in far region, for example in Far East. The significant purpose was the problems' determination and explanation of regulation ways of labor activity of population.

Stratify sampling has chosen for this survey. 2% of respondents were CEO of companies, 7.5% of respondents were managers of structure branches, 22.5% of respondents were specialists, 29.5% of respondents were employees, 5.5% of respondents were foremen, 27% of respondents of respondents were qualified employees, and 6% of respondents were founders, engine driver, students. 400 experts were involved in survey living in the Far East. 41% of respondents were males, and 59% of respondents were females.

According to the level of expert education we see that 3.5% of respondents have complete secondary school education, 17% have secondary school education, 24% have higher education, 18% have incomplete higher education, 37.5% have specialized secondary education.

According to the level of standing experts' work in the company we have got: 40.5% of respondents have less than 5 years of work standing, 19.5% of respondents from 11 till 20 years of work standing, 17.5% of respondents have from 5 till 10 years of work standing, 22.5% of respondents have more than 20 years of work standing.

According to the marriage status of experts: 44% of respondents are in marriage, 34% never married, 18% divorced, 4% "other" answer.

In the results of survey 68% of respondents suppose that job and status in society are important for contemporary older people, but 32% suppose that recreation is significant part of older people.

In the results of retire question 49% of respondents are not ready to be retired, 29% of respondents are not ready to be retired but they have to get used to it, 19% of respondents are psychologically ready to be retired, and only 7% of respondents are completely ready to be retired. Important comment is 74.5% of respondents were younger than 50 years.

In addition to retire question (when people will be retired) 76.5% of respondents rely on only for themselves, 12.5% of people rely on relatives and friends, 10% of people rely on the government.

In compliance with question about work of employees 47.5% of respondents work is important business for them and it shouldn't interrupt other life moments, 30.5% of respondents are sure that work is source of earning money, 14.5% of people think that work is a point of life, and only 7.5% of people suppose that work is unpleasant need, but they would like to relax instead of working.



Research people of survey proceeded common results of changing in system of retire provision for last years. Only 2% of respondents that these changes lead to positive results, 26% of people something has been changed in positive side, 37.5% of people think these changes didn't have any effect to retired people. 6.5% of people suppose these changes lead to negative effects, 5% of respondents have opinion about these changes lead to considerable negative results. 23% of respondents had no idea concerning these changes.

Research people should lay down the most important consequences of changes in system of retirees provision. So, it was not easy to find an answer. Some of experts suppose that the amount of payment does not appropriate with amount of pension, accumulative amount of pension does not allow to old people to pay for communal service, to buy food, drugs; in the results level of old people's life has decreased. All above negative trends are important aspect of increasing labor activity of population of retire age, in case when old people have to work to survive.

What are important aspects in labor activity for older people? You can see the answers this question in Table 1.

Table 1

Priorities in labor activity for older group of people

Answer choice	Percentage, %
Convenient operation conditions	54
Prestige of profession and work place	12.5
Content of work	16.5
Communication in team	29
Career (official promotion)	12.5
Management promotion	7.5
Conditions of work	55
Using knowledge in practice	8.5
Pecuniary reward for work	43.5
Guarantee of work keeping	22
Social benefits (tourist voucher and etc.)	22.5
Others	1

According results from Table 1 we see that the majority of experts prefer 3 priorities like convenient operations conditions, conditions of work, and pecuniary reward for work.

As for social benefits, 53% of respondents suppose that social benefit should be convenient operating schedule, 18% of respondents think decreased working day should be social benefit, 28% of people chose additional day to vacation, 16% of people indicated to need of business trip absence.

What will you do, if pecuniary status is not allowed to work? 38% of respondents would prefer to spend time with family, 37% of respondents would like to work like part-time job or to make work at home, 19% of respondents would continue job out of home. Other answers were travelling, creative work and self-realization.

Thus, the majority of respondents are interested in work independently from their pecuniary status.

As for older people who choose ways of work and amount of payment, the majority of respondents prefer calm and comfortable job with permanent payment – 52%. However, 28% of respondents would like to intensive work with diversify



situations with permanent payment. 7.5% of people want to work very hard with even financial losses. 6.5% of people would like to work like part-time job with usual amount of payment. 5.5% of participants prefer don't work at all. Interesting fact that the last two choices have chosen not only older people, I am saying about people who less 30 years, according to the author's opinion young employees got used to think that government should care about them during all working activity.

Respondents should have evaluated the satisfaction of different criteria of own work. The majority of respondents are satisfied by operations conditions, relationships with the team and people on the top. Participants are satisfied but not so much by amount of payment and awards.

The experts conducted a survey to check themselves like they are trying to work like everybody, to be golden middle neither bad nor good. 5% of them show initiative and creativity, moreover they try to realize themselves. 7% of experts are sure that they work too much, 8% of participants don't work at all. But 36% of experts are afraid to lose a job, 33.5% of them have chosen answer like "rather yes than no", 20% of them are not afraid to lose a job, 10.5% of people have chosen answer like "rather no than yes".

Other results of survey: 38% of people would like to solve own problem actively by themselves, 55% of participants will try to solve them, 2% of people told they don't have efforts and funds to solve troubles, 4% of participants are waiting until problem will be solved by somebody.

Also the experts were asking like if you leave job's position what will you do? So, the majority of experts will find new job.

The life values during the retirement age (see Table 2).

Table 2

The life values during the retirement age, %

Question	Evaluation				
	5 – the most valuable	4 – less valuable	3 – valuable	4 – almost not valuable	5 – indifferent
1. Stability, confidence in future	81.5	5	1	0	0
2. Independence, freedom	63.5	16	4.5	1.5	0
3. Communication with co-workers	38.5	26	13	2.5	1
4. Social status (position in society), recognition by co-workers	36	31	11	2	2
5. Material welfare	77	7.5	1	0	0
6. Interesting job	46	19.5	9.5	5	1
7. Family, to be at home	65	12	4	0.5	0
8. Power or opportunity to manage others	6	15	19	18	20.5

Results show that values like stability, confidence in future; independence, freedom; material welfare; family, to be at home are the most significant for respondents.

The experts should have evaluated is there discrimination towards older people and employment. So, 40% of respondents think there is not any discrimination, but 60% of participants have opposite opinion. They think discrimination appears like



employment denial, employers only care about age despite of having work experience.

The majority of respondents 45% suppose that the main difficulties of participation of older people in management activity are in decreasing management ability in older period. 18% of participants are sure that problems occurs when distrust to retired people, other 37% of people think that current problem is invented. 37% of respondents are ready to make own business.

One of the main reason how older people can make own business is lack of primary capital. What are the main problems in working activity for older people? 73% of people answered like financial reason, 24% of respondents have chosen answer like “lack of privilege”. Others answers were lack of power to work, lack of vacancies and health conditions.

Analyzing own material welfare, 17% of respondents indicated lack of money to the most necessary, 37% have money only to the most necessary like (food, public services), 40% of participants said they have money to maintain family and afford some things like clothes, furniture, household appliances; 3.5% of participants can afford car, house and cottage; 2.5% can afford everything what they want.

The main income of respondents is salary, stock and bonds. 7.5% of respondents suppose that common life quality of retired people for the last decade really has been improved, 26.5% think that life quality of retired people has been improved a little, 7% of participants have answered like “it has been become worse”, 22% of people think quality has the same level, 15.5% of respondents are sure that life quality of retired people significantly has been become worse, 21.5% of people could not answered this question.

Thus, according to the results of whole survey we can say that working activity of older people has tight dependence from external conditions and factors of forming and labor potential realization of older people. Social-economic conditions at all, social and economic politics, politics of employment and social protection. So hypothesis of research has been confirmed.

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BUDGETING PRINCIPLES AT ENTERPRISES OF PORT ACTIVITY

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**ОСНОВЫ БЮДЖЕТИРОВАНИЯ НА ПРЕДПРИЯТИЯХ ПОРТОВОЙ
ДЕЯТЕЛЬНОСТИ**

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Abstract. The article discusses the need to implement the system of budgeting in the domestic enterprises, especially in enterprises of port activity. There are set the basic principles of the process of budgeting and tasks that can solve the system of budgeting.

Keywords: budget, budgeting, port operators, the stevedoring company structural units, enterprise management.

Аннотация. В статье рассматривается необходимость внедрения на отечественных предприятиях, в частности на предприятиях портовой деятельности, системы бюджетирования. Приведены основные принципы процесса бюджетирования и задачи, которые позволяет решить система бюджетирования.

Ключевые слова: бюджет, бюджетирование, портовые операторы, стивидорная компания, структурные подразделения, центры финансовой ответственности.

Introduction.

The modern port services market is developing dynamically under the influence of not only the growing demand for the movement of goods around the world, but also due to the ever-changing domestic legislation, which makes only first steps in the regulation of the service sector.

Under these conditions, the directorate of the stevedoring company is obliged to monitor the current activity and far less to understand how management decisions affect the company status in future. The best tool for solving this problem is the system of budgeting.

Despite the theoretical and practical research potential of the issues of budgeting at the companies, some of the issues of adaptation of the methodology and organization of this system in modern conditions, taking into account the specifics of various spheres of economic activity, are not investigated enough, which is suggesting the need for further research in this direction.

A special role is played by the assessment of certain types of business activities, the possibility of timely and appropriate correction of actions at the negative impact on the implementation of the planned targets.

The main text.

In the modern resource-constrained conditions, their rational planning is the



basis of the manufacturers' economic freedom.

Within the market conditions where the prices for resources, goods and services are freely established by competing manufacturers and consumers themselves, each company independently decides what to produce and in what amount. Each market participant relies on their own experience, intuition and the ability to foresee the future to determine the course of their activity.

Budgeting covers all the areas of the company's activity, thus considerably improving the efficiency of management and clearly defining the time for achieving the set indicator value.

Budgeting is the process of designing, developing, implementing and analyzing the company's budget based on the budgets of its business units.

Budget is the activity plan of a structural unit or the company as a whole, expressed in kind or in cash, for a certain period of time.

Budgeting process consists of several components: goal setting, planning, implementation, accounting, control, analysis and decision-making.

The budgeting process is characterized by the following principles:

- complexity, systematicity (the budget should reflect all the processes of the company activity: sales, purchases, investments, etc., and there must be an inseparable connection between them);

- continuity (the budgeting process should be continuous, that is, the budget is made not for a calendar year, but for 12 months, after a quarter the budget should be developed for another quarter);

- consistency (the targets of the units should correspond to the company's strategy) [4];

- unification, orderliness (the process regulations and uniform reporting requirements are required) [3];

- flexibility (the system of budgets should allow adjustments with minimal resources);

- validity (each manager shall be responsible only for those indicators on which he has a direct impact);

- accessibility (the information obtained as a result of the budgeting process should be understandable, accessible and meaningful for all the process participants). [4]

In the process of budgeting each business unit contributes to the achievement of the common goal, in accordance with the company's strategy and, in addition, it is responsible for the execution of the tasks, united into the common goal. If this responsibility is supported by material interest, the performance increases significantly. Besides, the staff, for whom the company's goals are expressed in specific indicators, and who have a sufficient degree of freedom in making decisions to achieve them, in addition to material reward also receive a moral one, expressed in their job satisfaction and the visible effects of the decisions taken, if the employee's actions had a positive result.

Therefore, the budgeting method is the delegation of authority and responsibility to the structural units (employees) which allows solving the following tasks:

- making justified management decisions based on business planning at both



structural units and activities, as well as for the entire company;

- increasing personal responsibility and commitment of middle managers and other personnel in the performance of the tasks ensuring the achievement of the common goal;

- increasing the efficiency of the resources use;

- assessing the appropriateness of various activities based on the analysis of the structural units work for timely restructuring of the company;

- the availability of information for all the participants of the process, due to its unification and simplification.

Budgeting aims to determine the optimal combination of internal and external constraining factors, thereby reducing misallocation of resources, reducing costs and increasing the profitability of business.

One of the major stages of creating the system of budgeting in the company is development of financial structure.

The financial structure is a set of activities and the spheres of financial responsibility of the divisions, which are the objects of budgeting. These objects are called financial responsibility centers.

Financial responsibility centers are the basic unit of account in the budgeting system.

Financial responsibility centers are the structural division of the enterprise or officials involved in monitoring the drafting of business tasks, as well as movement of material and financial resources at the stage of actual implementation of the planned activities [5]. In other words – they are centers of management decision-making.

Financial responsibility centers are of several types:

- Revenue centers;
- Expense centers;
- Profit centers;
- Investment centers.

Revenue center is a division, or an official, as a result of whose activity revenues are formed, which this division or the official directly influence and manage.

Expense center is a division, or an official, as a result of whose activity costs are formed for which this division or officer directly influence and manage.

Profit center is a division, the work results of activity of which are focused on making a profit, and the division of these indicators has a direct impact. The profit center, according to the organizational structure may include revenue and cost centers, as well as other profit centers.

Investment centre is a division which possesses the tools to manage financial resources of the enterprise, whose responsibilities include the effective use of capital of the enterprise.

Considering the standard organizational structure of the stevedoring company, all administration departments will be expense centers (except for the commercial department, which is the revenue center, as it directly works to attract freight traffic). Profit center should be considered as storage and vessels processing service.



Work evaluation of FRS is made based on the level of target implementation. It should be noted that if a set of targets is large and they have a diverse character, it will only complicate and likely to make it impossible to assess how the FRS works and achievement of goals. Therefore, targets should be directly linked with the enterprise strategy and fully reflect the goals.

It should be noted that the effectiveness of the budgeting system, which will determine the feasibility of its implementation in the stevedoring company depends on how correctly the financial structure of the enterprise will be compiled and financial responsibility centers will be defined

Summary and Conclusions.

The main feature of budgeting is delegating responsibilities and certain freedoms to the employees of different levels, which significantly increases the productivity and efficiency of the company as a whole.

The implementation of the system of budgeting for the domestic companies will allow using the available resources rationally in difficult economic conditions, adequately responding to the emerging difficulties, anticipating possible risks, making informed decisions to improve the operational efficiency and business value.

Nowadays particular importance is gained by budgeting for the maritime industry of Ukraine. After the entry into force of the Law "On Sea Ports of Ukraine" (hereinafter – the Law) the administrative functions were transferred to the administration of the seaports of Ukraine, the economic functions – to the port operators. As a result of the Law adoption the entities of port activity apart from the cost of services for the storage of goods, may independently determine the cost of the stevedoring services provided. Given the significant changes in the pricing, in the structure of freight flows and their directions, the competition in the market of cargo handling services is getting tougher. In addition, significant risks are associated with changes in the national currency rate. Thus, taking into account the existing uncertainties, emerging in the activity of the companies of the maritime industry, the necessity of moving from the standard planning procedure to a profound process of budgeting becomes apparent.

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Simenko I.V., Fedchenko T.V.
THE QUALITY CONTROL OF THE STATE AUDIT OF EFFICIENCY

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**КОНТРОЛЬ КАЧЕСТВА ГОСУДАРСТВЕННОГО АУДИТА
ЭФФЕКТИВНОСТИ**

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Abstract. The article reveals the theoretical issues of quality control of the state audit efficiency. The authors highlighted the conditions necessary quality control, quality management task control and analytical measures, the essence of quality control prior supervisory authority as head of the audit group during the organization and audit of efficiency.

Key words: quality control, state audit of efficiency, control and analytical measures, audit procedures.

Аннотация. Статья раскрывает теоретические вопросы контроля качества системы государственного аудита эффективности. Авторами выделены: условия необходимости контроля качества, задачи управления качеством контрольно-аналитических мероприятий, сущность предварительного контроля качества контролирующего органа, обязанности руководителей аудиторских групп при организации и проведении аудита эффективности.

Ключевые слова: контроль качества, государственный аудит эффективности, контрольно-аналитические мероприятия, аудиторские процедуры.

Subject of this study is actual for the public administration. The effectiveness of the system the state audit of efficiency can be assessed from the perspective of quality and control measures and the importance of the results. An effective monitoring system provides data about the past or the present state reveals trends in the functioning controlled entity provides and prevents diversion and abuse.

Qualitative performance of functions of the state audit of efficiency determined by the degree of excellence of its elements. Quality of Service auditor is a system of proper implementation of control procedures, compliance with applicable law and standards of financial control, the Code of Ethics.

In turn, the effectiveness is determined by degree of appropriateness of the audit and the degree value of the information obtained from the controls. The effectiveness depends on accuracy, timeliness and value of the cost of establishing controls its execution and processing results. The reliability of control is the degree of certainty of its results, which depends on the precision control of the volume of sample lists of indicators. Accuracy characterizes the work of controls, compliance with procedural



its methods.

Timeliness is determined by monitoring its implementation and providing information for decision-making in the management of the budget agency or budget program [1, p. 180].

Several conditions determine the need for quality control of the results of the state audit efficiency:

- Audits should not be formal.
- Information users must trust the findings of the state audit efficiency.
- Audit rating should grow in the structure of control and analytical measures.
- Legal framework of budgetary institutions and the government has a number of contradictions.

- Quality Control determines the efficiency of audit procedures to be performed with minimal time, labor and finance.

- Measures of quality control can be carried out after other control and analytical procedures to detect violations of other regulatory bodies.

- Quality Control allows the unreliable or biased conclusions based on the audit performance.

- Incorrect control and analytical measures or recommendations of the audit efficiency negatively affect the process of the budget program (decline in performance, the elimination of budgetary institutions).

- Quality control can identify the lowest result of the state audit of efficiency (poorness revealed evidence insignificant amounts of violations by perpetrators budget programs, formal recommendations for improving the budget process).

The quality management system of control and analytical measures must exist within a public authority control [1, p. 181].

Quality management control measures should be considered as a set of institutional arrangements, practices and procedures to achieve a high level of effectiveness of control activities to the qualitative performance of state auditors problems.

The tasks of quality management control and analytical measures during the organization and efficiency of the audit should be considered:

- establish requirements for audit;
- the enforcement of the requirements and procedures for control measures (quality assurance);
- detect and correct deficiencies of control measures (quality control);
- develop and implement measures to improve quality control measures (quality improvement) [1, p. 182].

Installation requirements for control measures - the definition of appropriate rules and procedures of control measures and appropriate resources to achieve the goal in quality control and audit activities.

Quality Assurance is the process of implementation of the requirements and procedures for planning, auditing and presentation of results of control measures that determine the quality of their implementation.

Improving quality is a process deficiencies of control measures and



improvement of the state audit of efficiency in achieving a high quality of his conduct. Quality control is done by checking compliance procedures for planning, implementation testing and presentation of results of control measures established requirements in order to assess the level of quality. Thus, quality control supervisory authority should be implemented through the following forms of it: preliminary control, current control, further control.

Preliminary quality control supervisory authority carried out during the formation of the work plan for the next year, which should provide:

- Fulfillment of tasks by the Law of Ukraine on the existence of a specific supervisory authority in Ukraine and the Budget Code of Ukraine.

- Uniform and balanced distribution of control measures for controlled entities and budget programs.

- All phases of the state audit of efficiency and performance for each of the relevant procedures established by Regulation supervisory authority, standards of financial control and other internal regulations of the controlling entity.

- Rational and efficient use of human, financial and material resources allocated to problem solving supervisory authority.

Current quality control inspections carried out by the performance of a group of public auditors after each stage control measure. The purpose of these inspections is to determine the extent to which performed prescribed standard requirements and procedures for the preparation, execution and presentation of results of the state audit of efficiency and quality. The current control includes compliance checks performed by members of the audit team of Audit plan and program.

In the group of inspectors should be provided with proper control over the work of all its members. Control includes management staff performing audits, and monitoring of their activities to achieve the objectives of the audit. Control is an important and ongoing process that involves the discharge of certain obligations audit manager and other officials that govern the work of other employees.

Leaders of group audit obliged to carry out the following activities during the organization and efficiency of the audit for the purpose of quality control:

- The manager must be confident that all members of the group of state auditors are well aware of the purpose of the audit; must provide appropriate recommendations and advice, training in the workplace on the basis of experience gained members of the audit team.

- The manager should give members of the group auditor jobs as part of this test and explain what results are expected on the job.

- The head should monitor the adequacy and quality audit procedures, their effectiveness; the timeliness of audit activities in accordance with the approved schedule; the expenditure of funds to conduct audits in accordance with the approved budget.

- Manager must ensure compliance with the standards and guidelines of audit performance; must ensure necessary and sufficient quantity of evidence of violations during the budget program (evidence must be recorded in the documentation and confirm the findings of the audit).

Further quality control is carried out after the control measure by checking its



results. The main tasks of further quality control is to identify and address the existing shortcomings in the control measures, and develop proposals to improve the standard of organization and efficiency audit of budget programs to improve the quality of future control measures. The results of the control head of state auditors in making the Council supervisory body, and then bringing it to the auditor of decisions that participated in this event.

The proposed theoretical foundations of the state audit the effectiveness of quality control should be recorded in the job descriptions of team leader and auditors to conduct the audit instructions.

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ANALYSIS METHODOLOGIES TO DETERMINE THE COST OIL SEEDS

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Abstract: In order to ensure the production of oilseeds in the amount sufficient for the production of biodiesel requires intensive farming, increasing productivity and profitability. One of the ways to achieve these goals is to predict the cost of production of oilseeds, which consists of the cost of seed procurement, mineral and organic fertilizers, plant protection products, fuels and lubricants, payroll, third-party enterprise services, the organization of production and management, public pension and social insurance, land rent, depreciation and other costs.

Keywords: costs, fuel consumption, seeding rate, costs

Introduction. The main raw material for biodiesel production in Ukraine remains oilseeds. For its production to the extent necessary require intensive farming, increase productivity and profitability, reducing unit costs. One of the ways to achieve these goals is to predict the cost of production of oilseeds. In [1] we have conducted to determine the cost of cultivation of winter rapeseed, soybean and sunflower depending on their productivity, but the calculation method was not shown.

Therefore, **the aim of this paper** is to analyze the methodological basis of the cost of cultivation of oilseeds.

Results. Discussion and Analysis. Cost of cultivation of oilseed crops consists of the cost of seed procurement, mineral and organic fertilizers, plant protection products, fuels and lubricants, payroll, third-party business services, production and management company, state pension and social insurance, land rent, depreciation charges and other costs that can be represented as a formula:

$$C = Z_c + Z_{y0} + Z_{sp} + Z_{GCM} + Z_{zn} + Z_a + Z_{cn} + Z_y + Z_c + Z_{a3} + \Delta Z, \quad (1)$$

where C – the cost price, UAH; Z_c – cost of purchase of seed, UAH; Z_{y0} – costs for the purchase of organic and mineral fertilizers, USD .; Z_{sp} – costs for the purchase of plant protection products, UAH; Z_{GCM} – the cost of fuel and lubricants, UAH; Z_{zn} – wage costs, UAH; Z_a – depreciation and amortization costs, capital repairs and maintenance, UAH; Z_{cn} – the cost of third-party service companies, USD; Z_y – the costs of organizing the production and management, UAH; Z_c – the cost of state pension and social insurance, UAH; Z_{a3} – land lease costs, UAH; ΔZ – other costs UAH

Costs for the purchase of seed Z_c depends on the rate of seeding, seeding rates, and the square, which is expressed by the formula [2]:

$$Z_{cn} = S \cdot HB_c \cdot \Pi_c, \quad (2)$$

where S – area, ha; HB_c – seeding rate kg/ha; Π_c – the price of seeds, UAH/kg.

The costs of organic and mineral fertilizers Itching depend on the price of



nitrogen-, phosphorus- and potassium containing mineral fertilizers, manure and slurry cost and their delivery costs, as well as rates of fertilizer, and the area in which they will be paid, and determined formula [2]:

$$3_o = S \cdot (HB_N \cdot U_N + HB_P \cdot U_P + HB_K \cdot U_K + HB_O \cdot U_O), \quad (3)$$

where HB_N, HB_P, HB_K, HB_O – the application rate of nitrogen-, phosphorus- and potassium containing mineral fertilizers and organic fertilizers, respectively, kg/ha; U_N, U_P, U_K, U_O – the cost of nitrogen-, phosphorus- and potassium containing mineral fertilizers and organic fertilizers respectively, UAH/kg.

The costs of protection of the 3_{3P} means plants depend on the application rates of pesticides, their cost and the area of application, which is determined by the formula [2]:

$$3_{3p} = S \cdot \sum HB_{3p} \cdot U_{3p}, \quad (4)$$

where H_{3P} – the rate of application of pesticides, kg/ha; U_{3P} – the price of pesticides, UAH/kg.

The cost of fuel and lubricants are defined as the sum of the product of fuel consumption by type of activity at the cost of fuels and lubricants [2]:

$$3_{ГСМ} = \sum (HPT \cdot OP \cdot U_{ГСМ}), \quad (5)$$

where HPT – rate of fuel consumption per unit of volume of work, l/ha, l/sec; OP – volume of work, ha, cwt; $U_{ГСМ}$ – the price of fuels and lubricants, UAH.

The cost of salaries of workers who were involved in growing oilseeds, defined as the sum of wages and working mechanics of manual labor. Their salaries, in turn, depends on the rate of production of the worker, hour wage rate and the size of charges on salaries [2]:

$$3_m = ЧТC_m \cdot KHC_m \cdot Knap_m + ЧТC_p \cdot KHC_p \cdot Knap_p, \quad (6)$$

where $ЧТC_m$ and $ЧТC_p$ – hourly tariff rate mechanic and working manual labor, respectively, UAH/hour. KHC_m and KHC_p – the amount of waste norm of pair mechanic and work of manual labor, respectively; $Knap_m$ and $Knap_p$ – accrual rate on wages and working mechanic manual labor, respectively.

Depreciation and amortization costs, capital repairs and maintenance For defined by the formula [2]:

$$3_a = \frac{\sum BC_m \cdot n \cdot A_m \cdot KP_m \cdot TO_m}{100} + \frac{\sum BC_{cm} \cdot n \cdot A_{cm} \cdot KP_{cm} \cdot TO_{cm}}{100}, \quad (7)$$

where BC_m and BC_{cm} – carrying value of the tractor and agricultural machinery, respectively, USD; n – the number of tractors and agricultural machines, pcs.; A_m and A_{cm} – deductions for depreciation of the tractor and agricultural machinery, respectively, %; KP_m and KP_{cm} – deductions for capital repairs of tractors and agricultural machines, respectively, %; TO_m and TO_{cm} – contributions to the technical maintenance of the tractor and agricultural machinery, respectively, %.

In the article the cost of third-party service companies (3_{CT}) take into account the cost of works and services of own auxiliary production, ensuring production needs, and the cost of productive services provided by third-party companies.

The costs for the organization of production and management (3_y) include the costs of production management, depreciation of general-purpose non-current assets,



the maintenance, operation and maintenance, insurance, operating lease of fixed assets and other non-current assets of general-purpose, the cost of improvements in technology and organization of production, heating, lighting, water supply, sewerage and other content shared facilities for production purposes, maintenance of production, labor safety and environmental, industrial hygiene, loss of marriage, payment of downtime, a fee for the lease of land and property for production purposes. These expenses are allocated to the planning objects in proportion to the area of cultivation of oilseed crops.

The tax rates on obligatory state pension insurance, which is included in the cost of the state pension and social insurance (3_c), installed according to the instructions, approved by the Board of the Pension Fund of Ukraine dated 3 June 1999, number 4-6, developed in accordance with the Law of Ukraine "On the collection on obligatory state pension insurance" dated June 26, 1997 № 400/97-BP as amended. The tax rates on obligatory state social insurance and duty on obligatory state social insurance against unemployment set in accordance with the Law of Ukraine "About the collection on obligatory social insurance" dated June 26, 1997 № 402/97-BP.

Other material costs include the costs associated with the production of certain products and which does not provide for one of the above items of expenditure [2].

Summary and Conclusions

Cost of cultivation of oilseed crops consists of the cost of seed procurement, mineral and organic fertilizers, plant protection products, fuels and lubricants, payroll, third-party business services, production and management company, state pension and social insurance, land rent, depreciation charges and other costs.

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THE ESSENCE OF ENVIRONMENTALLY-SAFE AGRARIAN LAND USE

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**СУТНІСТЬ ЕКОЛОГОБЕЗПЕЧНОГО СІЛЬСЬКОГОСПОДАРСЬКОГО
ЗЕМЛЕКОРИСТУВАННЯ**

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Анотація. У статті розглянуто зміст категорії "екологічнобезпечне сільськогосподарське землекористування", проаналізовано існуючі підходи до визначення цього поняття.

Ключові слова: екологічнобезпечне землекористування, екологічнобезпечне сільськогосподарське землекористування, раціональне землекористування, сталий розвиток.

Abstract. The Article reviews the meaning of the category "environmentally-safe agrarian land use", the existing approaches to the determination of this concept are analyzed.

Key words: environmentally-safe land use, environmentally-safe agrarian land use, rational land use, sustainable development.

Introduction.

The development of scientific and technical progress in the agriculture, its intensification, and increase in efficiency of agricultural productivity are causing negative ecological developments, soil degradation and pollution. It speaks for the non-compliance of today's land use to the demands of ecologically-safe land use. Accordingly to the mentioned problem, the determination of the essence of environmentally-safe agrarian land use is becoming the question of present interest.

Literature review.

The essence of environmentally-safe agrarian land use were studied in the works of such authors as Budzyak V.M., Gorlachuk V.V., Gunko L.A., Kotykova O.I., Kuryltsiv R.M., Petrenko O. Y., Sokhnych A. Y., Stepchyn M.V., Shkarupa O.V.

Results. Discussion and analysis.

The analysis of the latest researches on the determination of the notion of environmentally-safe land use shows the fact that a single approach to its determination is absent.

According to Sokhnych A.Y. [7, p.9-10] a rational land use must coincide with its purposiveness, providing high effectiveness of land use, land protection, which provides preservation from an anthropogenic effect, groundless taking agricultural lands out, contributes to a recovery and rising of soil fertility and also provides a special regime to the use of environment-oriented, recreational, historical and cultural lands. The organization of rational land use should be performed on the basis of land regulation which includes the solutions of problems of wide range in economic and



ecologically-safe land use.

Stepchyn M.V. [8, p.7] points out that the agrarian environmental management is the part of economic environmental management. The system of agrarian environmental management is the interaction of two subsystems such as material productivity and ecological sphere which includes nature protection activities. But the material subsystem is observed as the main and determinant.

We think that in the system of agrarian environmental management the third subsystem should be determined. It is a social one, which will characterize the influence of material and ecological spheres on human being.

Gunko L.A. [3, p.7-8] points out that the basis of rational and ecologically-safe land use is the land management which is capable to provide high performance of productivity activities, considering economic availability of the territory, qualities and features of the land and landscape.

According to Budzyak V. M., an efficient agricultural land use has to combine economically beneficial and ecologically balanced directions for the use of agricultural lands by means of economic, ecological, legal, organizational and social mechanisms. At the same time the key place is taken by the ecological safety of land use which is based on increasing in fertility of agricultural lands and improvement of conditions of agricultural land use. V. M. Budzyak emphasizes the necessity in including all ecological and socio-economic factors and components of the environment and resources which are used in the process of agricultural land use [1, p. 9-11].

Therefore, investigating this question the scientists came to the conclusion that the organization of agricultural land use has to consider more deeply not only economic but also ecological requirements.

Petrenko O. Y. [6, p. 9-10] considers that the fundamental principle of society development is an environmentally-safe agrarian land use. Such use of lands is possible if a productivity process is functioning according to Kommoner's four laws of ecology. They are: in the nature everything is connected to everything else; everything must go somewhere; the nature knows best; there is no such thing as a free lunch which means that everything taken from the nature must be returned back to it.

Gorlachuk V. V. proves the necessity of management system implementation of land resources which would provide the preservation and reconstruction of soil productive capacity, the renewing of degraded lands' capability, that is the implementation of ecologically-safe land use. The existing imperfect management system of land resources is characterized by lack of stabilizing and coordinating influence on spontaneous economic activities of land owners and land users, by disproportions and imbalances in the land use, and also by the destroyed correlation "land owners and land users — the state (the law) — land resources — ecology". According to Gorlachuk V.V., this problem can be resolved only with the help of conditions' creation for rational use and protection of lands, namely: the protection against an anthropogenic influence, the preservation and reconstruction of productive capacity of soils, the improvement of productivity of forest lands, the provision of special regime for use of nature-oriented, recreational, historical and cultural lands [2]. Gorlachuk V.V. considers the environmentalization of land use as "the



purposeful process of transformation in the land use, directed to the decrease of environmentally destructive (pollution; landscape disturbances; influence on human body, animals, plants etc.) influences of manufacture processes on land resources and the creation of safe conditions for qualitative human life".

Most scientists [5, 9] point out that the basis of ecologically-safe land use is the concept of sustainable development and also the provision of food security.

The concept of sustainable development of land management was proclaimed at the United Nations Conference on environment and development in Rio de Janeiro in 1992. At the Conference the declaration was adopted proclaiming twenty seven principles of sustainable development. In the declaration it was noted that the system of sustainable development of land management has to work globally, the basis of which occupies the interests of human being, his intention to live and to create in harmony with the nature. The chief aim of this document is the development by means of fulfillment of today's needs with no threat to the livelihood of future generations. The sustainable development of mankind involves the inclusion of ecological, economic and social factors of development.

Kotykova O. I. defines the sustainable development of land use as "the model of functioning system of land use with restricted parameters that provides the balanced dynamic equilibrium between the components of integrated socio-economic-ecological system during a particular time term" [4, page 23].

Shkarupa O. V. [9, p. 5-6] notes that ecologically sustainable development of the region is a dynamic, homeostatic process aimed at the preservation and reconstruction of ecological and socio-economic systems of the region with the purpose of ensuring sustainable development of the state. Thus, the concept of sustainable development first of all has to be realized at the regional level because each of regions inhere natural, historical and socio-economic features.

Kuryltsiv R.M. [5, p. 7] considers that sustainable land use is an ecologically-safe and economically productive land use and includes such components as structural-and-industrial, resourcing-and-ecological, social-and-economic ones. The foundation of environmentally-safe land use is a resourcing-and-ecological subsystem, and the socio-economic subsystem influences the process of formation of economically productive land use.

So, having analyzed all approaches, we can come into conclusion that environmentally-safe agrarian land use is the economic agrarian land use which is based on the involvement of ecological, economic and social environmental conditions and provides an ecological equilibrium, the improvement of condition of agricultural grounds, an economic welfare, the rising of level and quality of the life of country people and satisfaction of its material and spiritual needs.

Conclusions.

The existing approaches to the definition of the concept "environmentally-safe agrarian land use " were analyzed and the substance of it was examined. The own definition of the concept " environmentally-safe agrarian land use " was formulated.

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**PRODUCTION AND CONSUMPTION OF ORGANIC PRODUCTS IN
UKRAINE**

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**ПРОИЗВОДСТВО И ПОТРЕБЛЕНИЕ ОРГАНИЧЕСКОЙ ПРОДУКЦИИ
В УКРАИНЕ**

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Abstract. The paper deals with the essence of organic production and organic products, their benefits, the state of development and the level of consumption. It is proved the expediency of the further development of organic agricultural production.

Key words: organic production, organic products, quality of products.

Аннотация. В работе рассматривается сущность органического производства и органической продукции, их преимущества, состояние развития и уровень потребления. Обоснована целесообразность дальнейшего развития органического производства сельскохозяйственной продукции.

Ключевые слова: органическое производство, органическая продукция, качество продукции.

The current state of agricultural production is characterized by high consumers' demands to its qualitative characteristics. Strict requirements are put on its sustainability, impact on health and consumers' well-being, as well as absence of genetically modified components. In this regard, of particular relevance acquire the issues of formation of the quality of agricultural products at all stages of their production, storage, processing, transportation and sales.

Strict quality requirements for agricultural products has been put in response to increased urbanization processes and environment pollution, increase in the use of synthetic agricultural chemicals in its production, and people's growing environmental awareness. In its turn, this stipulated the desire of consumers, supportive of healthy lifestyles and quite financially backed, to get high-quality, safe and useful products. The market has provided the appearance of a certified production process, prohibiting of using chemically synthesized fertilizers and pesticides, hormones, antibiotics, genetically modified organisms, synthetic fragrances, conservants, dyes, and appropriately marked products – organic ones.

The benefits of organic products are their usefulness for health and environmental safety; in case of their consumption they decrease the possibility of getting into the human body of harmful substances as well as substances the influence of which on person's condition is still poorly studied [3, p. 97].

Eco-friendly (organic) products can be identified by the following criteria: products are made of harmless materials, do not contain substances having a negative impact on human health; in manufacturing products they are used technologies with minimum negative impact on the natural environment; manufacturers and suppliers



are responsible for the safe use of products not only for consumption, but also for the impact on the environment; packaging materials for products are harmless, they can be re-adapted, used and safely disposed [1, p.243].

Organic farming is a certified system of agricultural production, which uses energy-saving technologies and is based on minimal use of mechanical soil cultivation and synthetic substances, excluding GMOs from the production process, and is intended to provide population with healthy and high-quality food, as well as preservation and improvement of natural environment [2, p.20].

It should be noted that the development of the organic production sector is possible on the bases of the formation of its enforcement organizational and economic mechanism which is a set of organizational and economic methods and tools that, on the basis of legal provisions, allow the government and business entities to ensure the development of organic production, stop ecological and economic inconsistencies of interaction between society and nature.

The research demonstrate that for a long time in Ukraine they have been used only traditional industrial farming methods, allowing to intensify the processes and achieve significant growth in agricultural production.

Intensive agriculture despite the solution of many problems is beginning to create additional troubles with safety and quality of the obtained products.

Intensive methods are accompanied by an unbalanced, oriented mainly for production (excluding environmental safety) development, with extensive resource use that does not allow to reach a compromise between the production growth and the load on the environment [5, p.171].

Organic production is not constant production and is not equal to it, but acts only as its part in terms of providing social and environmental areas. At the same time, constant production provides the acceleration of economic, environmental and social development.

Regarding the consumption of organic products, it is important to note that according to estimation of the Association of organic producers' "Biolan Ukraine" today organics accounts only 1% of the food sales, although there is a trend to an increase in the volume of consumption of certified organic products in Ukraine [7].

Consumers of these products are mostly people with middle and high income. According to Ukrainian experts, the potential consumers of organic products in Ukraine are about 5% of the population of major cities, which is ready to pay for it by 30-50% more than for the usual products.

In Europe, the largest consumers of organic products are Denmark (138.60 euros/year), Switzerland (131.50 euros/year), Austria (103.80 euros/year), Sweden (75.40 euro/year), Germany (70.70 euros/year), the Netherlands (35.80 euros/year) [6].

In general, the benefits of organic production of agricultural products can be formulated as follows:

environmental – minimizing the impact of manufacturing processes on the environment; promoting the conservation and restoration of biodiversity in agricultural landscapes; promoting the conservation and reconstruction of soil fertility; protection against pollution of water resources;



social – creation of additional jobs in the countryside; creating new opportunities for small and medium agricultural businesses, increasing the vitality of rural communities;

economic – resource preservation and reducing the energy intensity of agricultural production; growth of savings of producers since there is no need to buy expensive synthetic pesticides and fertilizers; improving the competitiveness of manufacturers in the domestic and foreign markets [4, p. 11].

It should be noted that, according to sociological research, about 88% of domestic consumers have a positive attitude towards organic products and are willing to buy them, provided that a slight increase in prices at the level of 10-20% when compared to traditional products.

The study shows that domestic consumers seek to improve the quality of consumption and a healthy lifestyle. The development of organic agriculture provides a real benefit to the environment and health of consumers, which give priority to the use of organic production methods. Therefore, the organic products market should continue to grow, providing production of a full range of products and the availability in the retail network, a slight increase in prices when compared to traditional products, ensuring strict quality control by public authorities, which is possible under the condition of state support for manufacturers and pricing control.

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**APARTMENT HOUSES AS AN INVESTMENT IN THE COMMERCIAL
RENTED HOUSING**

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**ДОХОДНЫЕ ДОМА КАК ОБЪЕКТ ИНВЕСТИЦИЙ НА РЫНКЕ
КОММЕРЧЕСКОГО НАЕМНОГО ЖИЛЬЯ**

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Аннотация. В работе рассматриваются актуальные в настоящее время вопросы легализации рынка коммерческого наемного жилья. Одним из наиболее перспективных направлений, используемых в западных странах с этой целью, является строительство так называемых доходных домов. В работе описывается история появления наемных домов в мировой практике, рассматриваются плюсы, минусы и перспективы развития в условиях современной России. Особое внимание в статье уделено вопросам привлечения инвестиций на данный рынок. Перечислены сложности и риски инвестирования в доходные дома, предложены конкретные механизмы их преодоления.

Ключевые слова: доходный (наемный) дом, рынок наемного жилья

Abstract. The work examines topical currently, the legalization of a commercial market rented housing. One of the most promising directions that can be used in Western countries for this purpose, is the construction of so-called tenement houses. The paper describes the history of the emergence of wage houses in the world, discusses the pros, cons and prospects of development in conditions of modern Russia. Special attention is paid to attracting investments to this market. Listed complexities and risks of investing in apartment buildings, suggested specific mechanisms to overcome them.

Key words: apartment (rented) house, the market of rental housing.

Federal law "On amendments to the Housing code of the Russian Federation regarding legislative regulation of relations on hiring of premises housing social use"

N217-FZ of 21.07.2014, year introduced to the housing code the new concept of apartment houses. In the housing code there was a Section III.2. "Hired house", according to which: "Designed for the recruitment house recognized the building, which belongs by right of ownership to one person, and all residential premises which is designed to allow citizens possession and use of contracts of hiring of premises housing social use and lease agreements residential premises" [4].

In other words, the income (wage) house is the way the commercial exploitation of the property in which the house is not built with the purpose of selling the



apartments in it, and with the aim of renting them.

But as you know, everything new is well forgotten old. Apartment houses first appeared in Europe in the XVIII century. In Russia a bit later in the first quarter of the nineteenth century, but quickly became widespread. At the end of XIX — beginning of XX century to the 80% of the population of large Russian cities lived in tenement houses [3].

After the revolution of 1917, nationalization of the housing stock transformed pre-revolutionary commercial apartment houses for social housing (communal apartment).

Currently, a hundred years later return to the market of apartment buildings in many respects seemed to be the most promising option to solve the housing problems of Russians. Which in turn is one of the most important social functions of the state [2].

According to the AHML (Agency for housing mortgage lending), about 23 million families in Russia are in need of better housing conditions. Almost 8 million of them are potentially ready to consider as an alternative to rental housing [6].

However, it should be noted that the rental housing market in Russia (unlike most Western countries) is quite modest.

The figure below shows the ratio of own and rented housing the largest European countries.

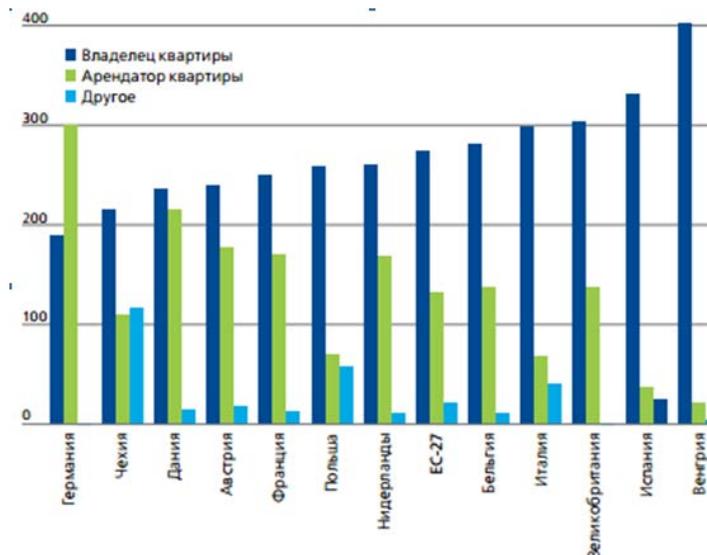


Fig. 1. The structure of the housing stock (number of apartments per 1,000 inhabitants in 2015). [7]

In Switzerland, rental housing is 70% of the total housing stock, in Germany 67%, France — 36%, in England — 33% [5].

In Russia this figure is around 8-12% of the total housing stock of the country [7].

Most rental transactions of residential real estate is illegal. AHML estimates that around 4 million families in Russia rent housing at market conditions, 3.3 million of which is from individuals. Legal the rental housing market in Russia on average according to experts is only about 1% of the total number of transactions. As a consequence, huge losses of regional budgets in the form of lost tax revenues.



The construction of the state tenement houses will solve the problem of legalization of the market non-profit rental housing.

Thus the state's interest in realization of this direction is obvious. Quite obvious are the "pluses" of tenement houses from the point of view of an ordinary tenant. Among them are the following:

- long-term lease at reasonable prices.
- legal security of the relationship with the landlord;
- no need to solve the issues of property management;
- high mobility etc.

However, the implementation of a decision that seems so positive, has a number of significant difficulties. The main one is to attract investments in this new for the modern Russian market direction, identifying the financial interest of developers in the market.

First, we understand, and who can be called among the potential investors of the construction in Russia of hired buildings (see table).

Table

Potential investors tenements

Investor	Scheme of project	Complexity and risks of investing	Possible solutions
The state	The state of his own money to build homes and in turn leases apartments to those in need.	Not every municipality has the resources required to implement such expensive projects.	
Private investors	Tenement housing built by the builders themselves or private investors wishing to benefit from renting apartments to rent.	Long payback period and lower yield compared to the sale of apartments doing unattractive projects for the construction of rental housing (especially the housing economy class).	The state should create for the developer a special preferential investment mode: free to allocate the developer provided infrastructure area, to act as a guarantor on the loan, etc.
Closed-end unit Fund	The seller acquires residential properties through the equity participation agreement, forms the closed-end unit Fund (CEIF) and then offers the shares in the open	Closed-end unit Fund always default to a larger market than any private landlord. As a consequence, a greater number of opportunities to minimize the cost of	In order for this scenario was implemented in practice, it is necessary to create the conditions in which legal projects in the residential rental market will be



	market of qualified and non-qualified investors.	management and maintenance of housing.	and of	able to successfully compete with the "shadow" market.
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Thus the prospects for the emergence in Russia of tenement houses is entirely dependent on the policy of the state in terms of creating an attractive investment climate in this market.

A potential investor will be able to see the economic benefits only in the case when the reduced payback period [6]. To date, the credit rate of 11% per annum return on the project of construction and implementation of apartment houses is about 18 years. If you reduce the interest rate on the loan down to 5-6% per annum, the payback period drops to 8-10 years, and this is a more realistic figure. Such the payback period of the projects on creation of profitable houses is already possible to attract investors.

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IMPROVEMENT OF CONSUMER CREDIT PJSC "PROMSVYAZBANK"

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СОВЕРШЕНСТВОВАНИЕ СИСТЕМЫ ПОТРЕБИТЕЛЬСКОГО КРЕДИТОВАНИЯ ПАО «ПРОМСВЯЗЬБАНК»

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Abstract. This paper discusses the issues of the need to improve consumer lending PJSC "Promsvyazbank" in order to increase the competitiveness of the bank and, accordingly, increasing business activity in the country as a whole.

The paper presents the main measures to improve the efficiency of the PJSC "Promsvyazbank".

Key words: banking, consumer credit, credit, credit card.

Аннотация. В данной работе рассматриваются вопросы о необходимости совершенствования системы потребительского кредитования ПАО «Промсвязьбанк» с целью повышения конкурентоспособности самого банка и соответственно повышения деловой активности в стране в целом.

В работе представлены основные мероприятия по улучшению эффективности деятельности ПАО «Промсвязьбанк».

Ключевые слова: банк, потребительский кредит, кредитование, кредитная карта.

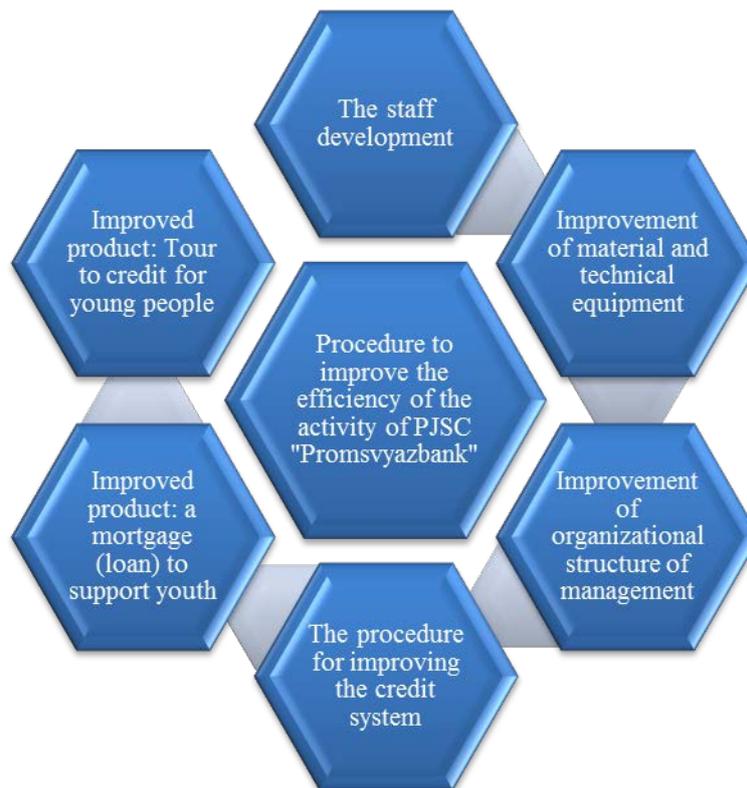
Entry.

Consumer credit is the sale of trade enterprises of consumer goods with deferred payment or provision of Bank loans for the purchase of consumer goods, and to pay any expenses of personal nature [2,p.10].

Analysis of consumer Bank lending, will provide an opportunity to see a number of weaknesses. As measures for improving the effectiveness of activity of PJSC "Promsvyazbank" we can offer a number of the following procedures (figure).

1. The event is to improve the organizational structure of management. To move away from duplication and double submission is proposed to introduce in the state Department acquiring networks Manager for the improvement of the acquiring network. This will lead to more coordinated work of employees of the Department, and thereby expedite the work of completing and signing of contracts with customers. Acquiring is a payment plastic cards.

Acquiring network – a network terminal usually, the Bank (processing center) in stores and trade and service enterprises, where the possibility of card payments.



Drawing – Plan of procedures to improve the effective activities of JSC "Promsvyazbank"

Development Manager is a specialist in strategic and economic planning development, marketing, market research, development and implementation of the business plan. The list of functional responsibilities of the development Manager is not restricted: it must have quality analyst, strategist, marketer, economist, competent leader, as well as communication skills with customers and sales experience [4, p. 56].

Job responsibilities managers in the development of the acquiring network:

- a) work actively improved areas;
- b) negotiate with the enterprises of trade and service, as well as contracts acquiring;
- c) growth and maintaining marketing programs Bank plastic cards AmEx, Visa, MC;
- g) preparation and inspection of documents from the Enterprises for entering into acquiring agreements;
- d) implement organizational measures to ensure the connection of enterprises to acquiring;
- e) training employees of trade and service associations rules and technologies of reception of plastic cards;
- g) check the availability and timely provision of materials, printing and promotional products of partner companies.

2. The procedure to improve the material and technical equipment. The speed of the employees affects the quality of service, and it is in the most part depends on the technical state of software.



3. Professional development of staff. Procedure to improve skills of the staff. The level of skills plays an important role in the improvement of activity of the enterprise [6, p. 75].

From professional skills, his interest in the results of their work depends on the quality of service and thereby meet the client's requirements. A satisfied customer is a guarantee of great success [5, p. 112].

4. To improve skills of the employee development Department acquiring networks, it is recommended that the organization of specialized seminars and trainings [1, p.27].

5. Improved product: Tour to credit for young people. The Bank provides loans for tourism plan similar to the results of conventional consumer loan, provides a very flexible system of loan sizes: from 60 000 to 800 000 rubles. The maturity all types of loans can be calculated from one year and more, so the client can easily repay the entire loan in small amounts [3].

6. Improved product: a mortgage (loan) to support young people. The interest rate on such a program in this period amount in the Bank from 10.45% to 18% per annum. The Size of the down payment that the borrower will have to make when buying a home loan, will be between 11.50% and above.

The procedure for improving the credit system. Proposes an alternative to the above methods of crediting is credit card use [7, p. 7].

The client can contact the Bank and get a credit card. The validity of this card is to several years. Therefore, if the client intends next year to go on vacation, it is unnecessary to collect all the documents. The meaning of credit card is that registering it one day, tourists can pay off the funds available on it for any of their needs and purchases.

Summary and conclusions.

Therefore, the strategic goal of PJSC commercial Bank "Promsvyazbank" is achieving a sustainable growth market share in all regional markets that can be reached in case of advanced market and its main competitors, as well as the stable growth of business scale of commercial Bank JSC Promsvyazbank and increase its customer base.

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**ACCOUNTING ASPECTS OF PRACTICAL APPLICATION OF IFRS (IAS)
41 "AGRICULTURE" IN AGRICULTURAL ORGANIZATIONS**

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**УЧЕТНЫЕ АСПЕКТЫ ПРАКТИЧЕСКОГО ПРИМЕНЕНИЯ МСФО (IAS)
41 «СЕЛЬСКОЕ ХОЗЯЙСТВО» В СЕЛЬСКОХОЗЯЙСТВЕННЫХ
ОРГАНИЗАЦИЯХ**

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Abstract. Analyzed aspects of the practical application of IFRS (IAS) 41 "Agriculture" in the agricultural organizations; the necessity of the introduction of the accounting practices of the agricultural organizations of international standard.

Key words: accounting, international financial reporting standards, accounting policies, agricultural.

Аннотация. Проанализированы аспекты практического применения МСФО (IAS) 41 «Сельское хозяйство» в сельскохозяйственных организациях; обоснована необходимость внедрения в учетную практику сельскохозяйственных организаций положений международного стандарта.

Ключевые слова: бухгалтерский учет, международные стандарты финансовой отчетности, учетная политика, сельское хозяйство.

Introduction. Now, the unit of the agricultural organizations of Stavropol Territory is used in the preparation of financial statements International Financial Reporting Standards (IFRS). Basically, the use of IFRS forced the owners of organizations, especially - foreign, as a key factor for the exit to the western capital markets is a requirement to submit financial statements in IFRS format). However, today, in the conditions of development of agro-industrial complex of Stavropol region increases the value of the methodology of accounting using IFRS. Most of the agricultural enterprises of the region are not required to prepare financial statements in IFRS format. But, in our opinion, to provide objective, comprehensive, accurate information about its activities, it is appropriate to apply certain provisions and IFRS standards, even if the data reporting standards is not formed (the current legislation in the field of accounting will not be disturbed). This position can significantly increase the investment attractiveness of the agricultural organizations. The introduction of certain principles and IFRS accounting methods in the practice of agricultural organizations should be implemented through its accounting policy.

By specificity agricultural production organization of the agricultural sector have the characteristic only for them accounting objects as plants, animals, ready to crop and livestock production, feed and seeds of own production. As part of the accounting, "Accounting for fixed assets" following Russian standards apply these assets for accounting (Provision on accounting 6/01) (perennial crops, livestock),



"Accounting of inventories" (Provision on accounting 5/01) (animals in growing and fattening, agricultural crops, seeds and animal feed), "accounting organization" (Provision on accounting 4/99) (reflection information about these accounting objects in accounting financial statements). However, these documents cannot provide regulation of the accounting process with the facts of economic life such assets in the amount of required user. That is why the organization of the accounting process of accounting items to be applied the provisions of IFRS.

Complete International Financial Reporting Standards have industry standard IAS 41 - «Agriculture» / IFRS (IAS) 41 "Agriculture". Earlier in the Russian Federation has been developed draft regulations on accounting, "Accounting for biological assets and agricultural products" (as standard to date and have not accepted) and "Guidelines for the accounting of biological assets and the results of their biotransformation in agriculture" (developed under the auspices of the Russian Ministry of agriculture).

IFRS (IAS) 41 "Agriculture" [1] is used to account for the following objects related to agricultural activity:

- biological assets;
- agricultural produce at the point of harvest (product of biological assets);
- government grants related to biological assets.

In accordance with the standard of agricultural activity is carried out by the organization and management of the biological transformation of biological assets collected for sale or processing in agricultural products, or into additional biological assets. Biological transformation comprises the processes of growth, degeneration, production, and reproduction that result in qualitative or quantitative changes occur in a biological asset.

In living animals or plants are considered as biological assets. Biological assets and the process of biotransformation necessarily be reflected in the accounting records, t. To. The agricultural activity involves observation, monitoring and evaluation of the qualitative and quantitative changes of the physical properties (biotransformation) assets.

The object of accounting crop biological assets are the kinds of crops; livestock - animal species (cattle, pigs, poultry, etc...) or a homogeneous group of biological assets, which consist of a certain age or technology groups [1].

Methodical basis of recognition and reflection in accounting and financial reporting of biological assets is the correct classification of any species. For example, IFRS (IAS) 41 "Agriculture" highlights the group of biological assets, such as non-current and current; mature and immature; consumables and fruiting. In addition, it seems appropriate in respect of the assets to allocate their individual groups and types (eg, perennial plants, basic herd animals, animals in growing and fattening, work in progress, al.).

Biological assets are recognized in the accounting for homogeneous groups or subgroups. Thus, we can conclude that for the formation of accounting information on biological assets and results of biotransformation in the agricultural organizations require the proper organization of their synthetic and analytical account to separate inventory accounts, providing a generalization of the necessary information about the



presence, movement and biotransformation of biological assets in their individual species.

Another important aspect of the organization of accounting of biological assets is their initial and subsequent measurement. IFRS (IAS) 41 "Agriculture" [1] prescribes recognize registered biological asset or agricultural produce, only when the following conditions are mandatory:

- 1) the organization gains control of the asset because of past events;
- 2) it is probable that future economic benefits associated with the asset (obtaining agricultural products from the asset, receipt of additional assets (offspring), receipt of proceeds from the sale of an asset or a product obtained);
- 3) the fair value or the actual value of the asset can be measured reliably.

Because of the biological asset management and results in the process of biotransformation of agricultural activity is changing their physical characteristics (height, degeneration, production, and reproduction) which lead to an increase / decrease in the amount or quality of assets and the production of agricultural products. All of this entails a change in value of biological assets at each reporting date. Evaluate the assets must be measured at fair value less estimated costs to sell, unless fair value determined with a sufficient degree of reliability cannot be. Agricultural products because of biotransformation of biological assets is recognized in the accounting records at the time of acquisition (receipt) of plants and animals (after the adoption of agricultural products for accounting purposes in the future, it is considered by the rules established to account for the material - industrial stocks, the Accounting Regulations 5/01 "Accounting material - industrial stocks"). Evaluation of biological assets and agricultural produce at fair value allows more objectively assess the performance of agricultural organizations. However, the absence of an active market difficult to determine the fair value of biological assets and agricultural produce. Therefore, alternative methods may be used for calculating the fair value. Procedure for assessment of biological assets and the results of their biotransformation should be reflected in the order of accounting policies agriculture organization.

Besides, the accounting policies of the organization is a question of organization and synthetic and analytical accounting of biological assets and the results of their biotransformation. Thus, the synthetic and analytical account of these facilities can be arranged by:

- to crops (crop groups), species and groups of animals on the synthetic account 20 "Primary production" sub-accounts 20.1 "Crop" and 20.2 "Animal"; for agricultural products in the accounts 43 "Finished goods" and 10 "Materials", depending on the adopted accounting options;

- types biological assets in the accounts 01 "Fixed assets" sub-accounts "Mature biological assets (animal meat / dairy / tribal areas)," "Mature biological assets (plants)," 02 "Depreciation" subaccount "Depreciation of the mature animal biological assets / crop accounted for the actual / fair value", 08 "Investments in non-current assets "on the sub-accounts, which reflect the channels of receipt of assets, for example," The acquisition of mature biological assets ", 11 "Animals in growing and fattening "in the respective sub-accounts for the animal species and areas use, such as



"Immature biological assets beef / dairy / tribal areas";

- revenues, expenses and results of operations of the biological assets of the ninth group of the Plan of Accounts accounts - following the IFRS standards (IAS) 41 "Agriculture" may be released apart on the respective sub-accounts group on accounting income accounts, expense to account for the results of the agricultural activity.

In conclusion, we note that every agricultural organization determines in its accounting policies specific procedure for the formation of accounting information on biological assets and the results of their biotransformation.

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