



VOL 5, No 54 (54) (2020)

The scientific heritage

(Budapest, Hungary)

The journal is registered and published in Hungary.

The journal publishes scientific studies, reports and reports about achievements in different scientific fields.

Journal is published in English, Hungarian, Polish, Russian, Ukrainian, German and French.

Articles are accepted each month.

Frequency: 24 issues per year.

Format - A4

ISSN 9215 — 0365

All articles are reviewed

Free access to the electronic version of journal

Edition of journal does not carry responsibility for the materials published in a journal.

Sending the article to the editorial the author confirms it's uniqueness and takes full responsibility for possible consequences for breaking copyright laws

Chief editor: Biro Krisztian

Managing editor: Khavash Bernat

- Gridchina Olga - Ph.D., Head of the Department of Industrial Management and Logistics (Moscow, Russian Federation)
- Singula Aleksandra - Professor, Department of Organization and Management at the University of Zagreb (Zagreb, Croatia)
- Bogdanov Dmitrij - Ph.D., candidate of pedagogical sciences, managing the laboratory (Kiev, Ukraine)
- Chukurov Valeriy - Doctor of Biological Sciences, Head of the Department of Biochemistry of the Faculty of Physics, Mathematics and Natural Sciences (Minsk, Republic of Belarus)
- Torok Dezso - Doctor of Chemistry, professor, Head of the Department of Organic Chemistry (Budapest, Hungary)
- Filipiak Pawel - doctor of political sciences, pro-rector on a management by a property complex and to the public relations (Gdansk, Poland)
- Flater Karl - Doctor of legal sciences, managing the department of theory and history of the state and legal (Koln, Germany)
- Yakushev Vasilij - Candidate of engineering sciences, associate professor of department of higher mathematics (Moscow, Russian Federation)
- Bence Orban - Doctor of sociological sciences, professor of department of philosophy of religion and religious studies (Miskolc, Hungary)
- Feld Ella - Doctor of historical sciences, managing the department of historical informatics, scientific leader of Center of economic history historical faculty (Dresden, Germany)
- Owczarek Zbigniew - Doctor of philological sciences (Warsaw, Poland)
- Shashkov Oleg - Candidate of economic sciences, associate professor of department (St. Petersburg, Russian Federation)

«The scientific heritage»

Editorial board address: Budapest, Kossuth Lajos utca 84,1204

E-mail: public@tsh-journal.com

Web: www.tsh-journal.com

CONTENT

ECONOMIC SCIENCES

Lobanova E., Kononova O., Ardasheva A., Suyarkova O., Samokhina A. PROBLEMS OF THE RUSSIAN INSURANCE MARKET UNDER THE INFLUENCE OF RESTRICTIVE MEASURES TO FIGHT AGAINST THE CORONAVIRUS PANDEMIC... 3	Ibraeva S., Dusembayeva L. ACCOUNTING POLICY AS A SYSTEM-FORMING FACTOR OF ACCOUNTING IN THE ORGANIZATION ...28
Lobanova E., Kononova O., Ardasheva A., Suyarkova O., Samokhina A. TRANSFORMATION OF THE STATE AUDIT SYSTEM IN THE RUSSIAN FEDERATION USING EXPERIENCE OF FOREIGN COUNTRIES10	Kondybayeva S., Ergasheva Z. ECONOMIC STRENGTH OF HOUSEHOLDS IN CASE OF LENDING31
Lobanova E., Kononova O., Ardasheva A., Suyarkova O., Samokhina A. PROBLEMS OF RUSSIAN SMALL AND MEDIUM BUSINESS IN THE LIGHT OF RESTRICTIVE MEASURES TO COMBAT THE CORONAVIRUS PANDEMIC IN RUSSIA IN 2020 15	Ishchenko Ya. CONCEPTUAL APPROACHES OF ACCOUNTING ORGANIZATION IN CORPORATE ENTREPRENEURIAL STRUCTURES OF THE AGRICULTURAL SECTOR OF UKRAINE34
Chesnokova S. TRANSPORT IN INDONESIA: PROBLEMS AND PROSPECTS 18	Komleva K., Orusova O. ANALYSIS OF THE PHILLIPS CURVE ON THE EXAMPLE OF RUSSIAN AND JAPANESE ECONOMIES40
Harvas H. EUROPEAN GUIDELINES FOR INCREASING THE COMPETITIVENESS OF UKRAINIAN VETERINARY MEDICINES 24	Chunina A., Sinitsyna D., Konopleva V.S. MANAGEMENT OF ENVIRONMENTAL PROBLEMS AND DISPOSAL OF HOUSEHOLD WASTE IN THE KALININGRAD REGION45
Ulybina L., Goncharova D. INVESTMENT ACTIVITIES OF INSURERS..... 26	Shutova N., Avanesova R., Slusarenko E. DEVELOPMENT OF AIC KUBAN AS A CONDITION TO ENSURE FOOD SECURITY IN THE REGION51
	Starkova O. THE PRODUCTION AND CONSUMPTION OF MILK: A REGIONAL PERSPECTIVE.....53
	Starkova O. IMPROVING THE SOCIAL INSURANCE MECHANISM..56

in the period of credit market recovery and further growth, from mid-2012 to mid-2013. The credit boom in these periods differed both in the direction of retail lending and in the nature and causes of the credit slowdown in subsequent periods. Retail credit market growth drivers in the first credit «boom»: consumer secured lending and mortgage lending. In the second credit «boom» the driver of growth was a consumer loan without security. The easing after the first credit «boom» was instantaneous, and this was due to the external and domestic financial markets. Unlike the first «boom» after the second credit «boom» credit activity began to weaken slowly and gradually, as the decrease occurred due to the imposed restrictive measures at the initiative of the regulator. This decision was made to limit further increase of «bubble» in consumer lending.

Conclusion. In terms of borrowers, business lending has been more significant Relationship versus consumer lending. Lending business has a direct and significant impact on final prices Food commodities, but loans from businesses is long enough to affect final prices accordingly with some lag. At the same time, most sensitive to volume changes consumer lending is the price of non-food Goods. Individuals take credit mainly for purchasing durable goods. Consequently, the growth of consumer increasing demand from buyers, resulting in increasing the value of these goods. In future researches as banks recover more details are needed on the sector and on increasing credit to the economy analyze the impact of credit on inflation. In

addition to estimating it is worth drawing attention to the analysis by assessing the impact of business lending by industry and region. The going forward study on this theme will help to make better the process of forecasting inflation and the study of capacity to improve the effectiveness of the transmission mechanism monetary policy.

References

1. Земцов А. А., Осипова Т.Ю. Финансовая устойчивость домохозяйств: основные подходы // Проблемы учета и финансов. №4(20), 2015
2. А.Ю. Нестеров. Структура и механизмы поддержания финансовой устойчивости домохозяйства // Вестник Университета №19, 2013г.
3. Jana Kask. Household debt and financial stability (Estonian HHD) // Kroom & economy. – 2003. – № 4. – P. 36–37.
4. Панюков А. В., Будина Е. С. Применение системы кредитного скоринга для организации процесса розничного кредитования // Вестник Пермского университета. – №1. 2000. – С. 41.
5. Giovanni D'Alessio and Stefano Iezzi. Household Over-Indebtedness: definition and measurement with Italian data // Questioni di Economia e Finanza (Occasional papers) from Bank of Italy. – Roma, 2013. – №149. – p. 3.
6. Алима Умутбек. Сильнейшие рынка кредитования // Первое кредитное бюро. – 2018.

CONCEPTUAL APPROACHES OF ACCOUNTING ORGANIZATION IN CORPORATE ENTREPRENEURIAL STRUCTURES OF THE AGRICULTURAL SECTOR OF UKRAINE

Ishchenko Ya.

*Candidate of Economic Sciences, Associate Professor
Vinnytsia National Agrarian University,
Ukraine*

Abstract

Management accounting issues need further research in the context of changing business conditions under the influence of globalization. The creation of the optimal organizational structure of the holding's accounting, bringing it in line with the requirements of corporate governance is preceded by significant organizational work to centralize the accounting function. The article substantiates the feasibility of centralizing the accounting function and the formation of internal regulations of financial and management accounting in accordance with the demands and needs of management of integrated corporate structures, outlines the main stages of this process.

Keywords: corporate business structures, holding, accounting, centralization, management.

Formulation of the problem

The modern development of economics is carried out under the influence of globalization processes occurring in all spheres of public life, including the economy. Entrepreneurship in Ukraine today is experiencing a new round in its development, which is characterized by the creation of corporate business structures, the development of international cooperation, the active attraction of foreign investment, the entry of economic entities into international capital markets.

Analysis of recent research and publications

The main prerequisites for research in the corporatization area of entrepreneurship have been formed relatively recently.

Most authors associate them with the dynamics of the processes of formation and development of the corporate sector, the global integration of capital and production, the separation of management from company owners.

The reflection of theoretical and methodological provisions on the problems of scientific and innovative development of the agricultural sector in terms of intensification of integration and globalization processes can be traced in the works of G. Kaletnik [1], D. Dema, Yu. Karpushyn [4], M. Kropyvko [5], Yu. Lupenko, G. Umantsiv and other scientists.

The need for a systematic study of accounting objects through the prism of management needs was justified by Academician MG Chumachenko 40 years

ago. Recently, the scientific works of leading domestic scientists conducting research in the field of accounting methodology have been devoted to these problems. Among them are I. Honcharuk [2], V. Zhuk [3], G. Kireitsev [6], B. Melnychuk, Y. Bezdushna, L. Napadovska, M. Ogiychuk, N. Pravdyuk and others.

Selection of previously unsolved parts of the overall problem

However, the issues of accounting management need further research in the context of changing conditions of business entities under the influence of globalization. Problems of functioning of integrated structures are mostly covered from the standpoint of economic theory, management and law. However, dynamic changes in the institutional environment necessitate the reform of internal institutions of information support for the management of such structures.

The authors, highlighting standardization as a conceptual approach in the development of accounting and reporting, consider it on two levels - national and international [3]. However, management needs to require standardization of information at the level of groups of economic units within certain associations.

The main problem of accounting in these conditions is the lack of a systematic approach to the organization of accounting in integrated corporate business structures.

The purpose of the article

The purpose of this publication is to substantiate the expediency of centralization of the accounting function and formation of internal regulations of financial and management accounting in accordance with the requests and needs of management of integrated corporate structures.

Presentation of the main research material

Linking the essence of the category "corporation" with the positions of the dialectical method of research requires the study of the preconditions, emergence, formation and evolution of this phenomenon, using this scientific structure of representatives of different economic trends.

The meaning of the term "corporation" is characterized by the authors of modern economic dictionaries as derived from the Latin "Corporatio - association" such that means a set of persons united to achieve common goals, joint activities that form an independent subject of law - a legal entity. Mentioned that most corporations are organized in the form of a joint stock company [7].

Economic commercial activity, or entrepreneurship in accordance with the Commercial Code of Ukraine - is an independent, proactive, systematic, at their own risk economic activity carried out by economic entities (entrepreneurs) in order to achieve economic and social results and profit [8].

Associations of enterprises may be formed in

Ukraine to solve common economic and other problems. One type of business association is a corporation. The Commercial Code defines a corporation as a contractual association created on the basis of a combination of production, scientific and commercial interests of the merged enterprises, with the delegation of certain powers of centralized regulation of each of the participants to the governing bodies of the corporation [8].

Transformation processes in today's Ukraine are characterized by the growth of corporate structures that have a closed production cycle of the final product, such as vertical corporate structures.

Vertical integration has become widespread in the agricultural markets of Ukraine. Thus, the formation of agricultural holdings in transition economies was not predicted by any theory. However, agricultural holdings (integrated agro-industrial trading companies focused on the export of agricultural products) have become the most effective object of the agricultural market of Ukraine at the present stage. As a rule, an agricultural holding is represented by a set of legal entities connected by contractual relations or assets. The source of domestic investment (donor) for agricultural production in these structures is usually a company that trades in grain. In the agricultural market of Ukraine there are many informal agricultural holdings, economically dependent on an individual or legal entity, but legally these relations are not formalized. The existence of informal agricultural holdings makes it difficult to collect statistical information on their scale and efficiency.

Using the mechanisms of mergers and acquisitions of traditional agricultural enterprises, mainly through the assignment of rights to lease agricultural land, some of them increased land use, remaining in the form of limited liability companies (LLCs), private enterprises (PE), etc. Others formed structural subdivisions on the basis of absorbed agricultural enterprises without registration of a legal entity, and some of them, on the basis of the mechanisms of joint activity defined by the Civil Code, took control of the activity of legally independent enterprises. As a result, there are complex combined organizational structures depending on the goals of corporate policy of the parent (parent) company (Fig. 1).

Today the national corporate sector of Ukraine's economy is represented by the following components:

- joint-stock - in the form of its primary elements, in particular, public and private joint-stock companies, state joint-stock companies;
- derivative - integration formations (associations, corporations, concerns, holdings, subsidiaries, etc.);
- non-joint-stock corporate sector - includes other economic formations and enterprises that fall under the definition of corporate enterprises in accordance with domestic legislation [10].

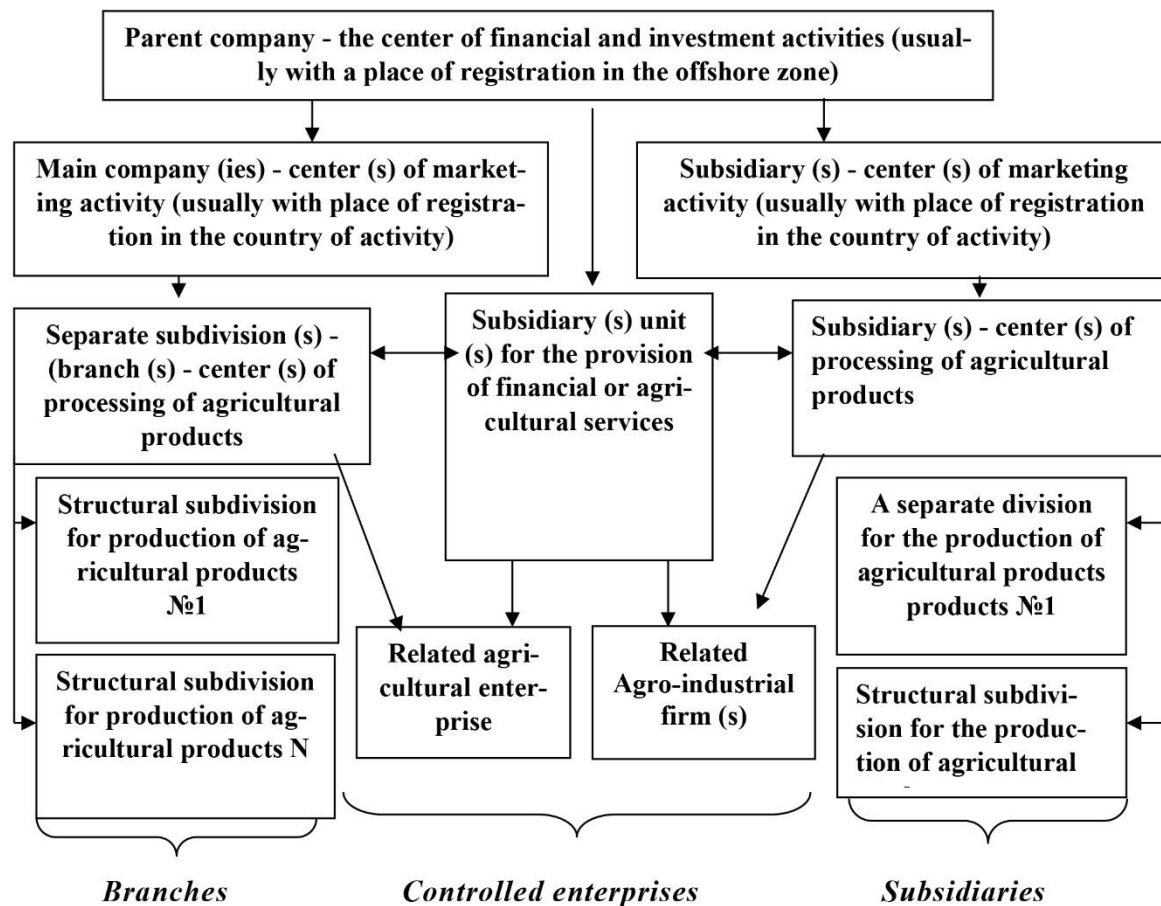


Fig. 1. Combinations of organizational structures of agricultural holdings

Source: [5]

According to experts, such structures have already absorbed or taken control of about half of agricultural enterprises. According to statistics (Table 1), large agricultural enterprises account for almost 21% of the total area of agricultural land. Such organizational structures have significant advantages over small

agricultural businesses in almost all areas of competition.

In 2019, 179 agricultural holding formations carried out agricultural activities. The number of such structures and the size of their land use increase from year to year (Table 1).

Table 1

Dynamics of the number and size of agricultural holding formations

Years	Number of agrarian holding formations		Area of agricultural land	
	units	In % to the total number of agricultural enterprises	thousand hectares	In % to the total area of agricultural land
2015	132	0,3	3328,7	16,2
2016	150	0,3	3515,1	17,6
2017	166	0,4	3643,1	18,3
2018	180	0,4	3977,6	19,9
2019	179	0,4	4219,2	20,9

Source: generated by the author based on [4]

Agroholding formations mostly specialize in the production of the most high-tech and high-yielding types of crop products. Production of livestock products is the main activity for only 15% of holdings, which mainly specialize in the production of dairy products for export, milk, dairy products and meat products for the domestic market.

Due to the complex organizational structure of corporate formations, the construction of an effective mechanism for managing such entities becomes especially important.

The control system achieves this goal through a set

of management functions, one of which is the accounting function. The accounting system is closely related to economic activity, reflecting it in the language of information, as well as with the management system, for which it provides information in various sections. Determining the optimal level of centralization of management functions is one of the most important factors in improving the quality of corporate governance in integrated business structures.

Summarizing the theoretical sources and experience of management in integrated structures, we

can distinguish three levels of centralization of management functions: low, medium and high.

With a low level of centralization of management functions, structural units independently develop strategic development plans, form financial policy in the field of asset management, sources of financing, cash flows, investments.

At the average level of centralization, group members are entrusted with the functions of operational management. The management of the enterprises (institutions) of the group itself makes decisions on conducting current activities in accordance with the agreed development strategy of the group. The holding company, and if we talk about government agencies and enterprises - the institution to which the structural units of the group are subordinated, controls the results of strategic development and operational activities of the association.

A high level of centralization implies centralization of strategic and operational management functions at the level of the managing institution. The following functions of operational management are centralized:

- development of operational financial strategy;
- development of a budgeting system;
- definition of uniform standards of accounting and reporting;
- operational cash flow management.

Centralization of functions can be achieved by their direct transfer to the central body through the creation of centralized organizational structures or the establishment of procedures, regulations, standards for their implementation by structural units [2].

The main advantages of centralization of management include: transparency and controllability of subordinate enterprises (institutions); the possibility of applying a single strategy, policy and implementation of common procedures and regulations, which further reduces the cost of administrative management within each unit; prompt exchange of information between enterprises (institutions) of the group; reduction of decision-making risks, which allows to achieve a synergistic effect in the management of a group of enterprises (institutions).

In most Ukrainian corporate business structures, the accounting function is decentralized, that is, in each enterprise of the group there is an accounting service that carries out a full cycle of accounting procedures from primary accounting to the preparation of reporting forms of management and financial accounting. However, the management of companies is increasingly aware of the need to introduce a centralized form of accounting. The reasons that motivate the management of the corporate structure to introduce a centralized form of accounting in particular are:

- discrepancy of analytical data on business operations provided by different divisions or individual enterprises of the group;
- a critical number of local software products used by different departments and enterprises of the group, with a high probability of error associated with the human factor when transferring data from one system to another;
- lack of detailed information on the activities of

the group's enterprises, except for financial and management reporting, is a common problem for enterprises of any size, which have geographically remote divisions, or many divisions, even if they are located at a short distance.

The use of different approaches to the construction of the accounting system by enterprises of the group makes it impossible to provide high-quality information support for management functions. The information obtained from non-unified accounting systems in its generalization forms a biased picture of the business entity on the basis of which it is difficult to make effective management decisions. Therefore, with regard to accounting policies, centralized and decentralized approaches should be combined.

If the management of the enterprise has realized the need to introduce a centralized form of accounting, it is necessary to start with the development of a project (model) of the organizational structure of the accounting function.

If the management of the enterprise has realized the need to introduce a centralized form of accounting, it is necessary to start with the development of a project (model) of the organizational structure of the accounting function.

The main purpose of this project is to develop a detailed operational model of the future accounting function of the holding, the purpose of which is to optimize the organizational structure, increase the efficiency of business processes and reduce costs for information management, as well as improve the quality of accounting information.

After defining the purpose of the project, its initiators and developers must identify specific tasks by solving which the desired results will be achieved. Among the main tasks, in our opinion are:

- collecting information about the existing organization of accounting through requests for information, as well as conducting a survey of key employees of the accounting function;
- analysis of the organizational structure and number of employees involved in accounting processes;
- analysis of the effectiveness of the existing accounting system;
- development of a list of primary hypotheses in terms of changes in the accounting function;
- identification of accounting processes that can be centralized;
- calculation of economic justification and feasibility of implementing the developed hypotheses;
- development of a high-level operational model of accounting organization;
- development of a detailed target operational model of accounting organization;
- development of key performance indicators for the subjects of the accounting process;
- development of an agreement on accounting services;
- development of a strategy and plan for the transition to a new accounting model.

The implementation of the tasks should be carried out in several stages for which specific completion

dates are planned. It is advisable to highlight the following in figure. 2.

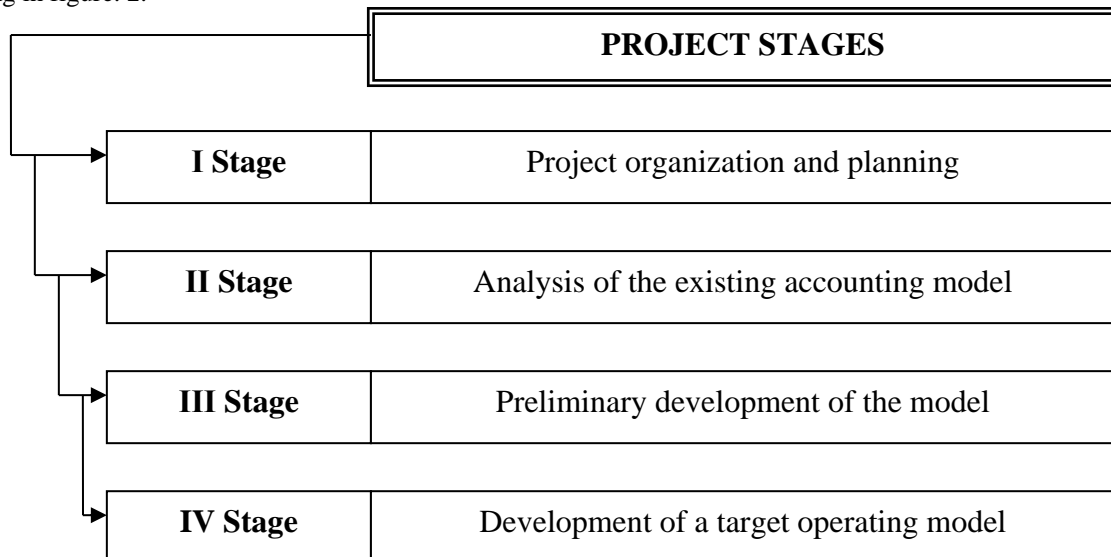


Fig. 2. Stages of implementation of the project of centralization of accounting

Source: generated by the author

In order to effectively implement the project of centralization of the accounting function within each of these stages, it is necessary to identify specific tasks to be solved and identify the key results to be obtained after the completion of each of the stages.

The tasks to be solved at the stage of project organization and planning will be:

- approval of the project charter;
- development and approval of the project plan;
- holding a constituent meeting before the start of the project.

The key results of this stage should be the approval of the project charter and plan, as well as the inaugural meeting.

During the implementation of the second stage of the project of centralization of accounting, the following tasks should be identified:

- generate a request for information and collect information from the Holding's enterprises;
- study and systematize the existing model of the accounting function (organizational structure, business process, IT systems, reporting) in the following main areas: financial accounting system; planning and management accounting; investor relations management; analysis and evaluation of accounting staff; accounting staff management practice, etc.);
- conduct a comparative analysis of the effectiveness of business processes and the structure of the accounting system with best practices (external and internal);
- to carry out preliminary division of processes and to form the list of processes before centralization;
- identify the main directions of process change and unification of methodology;
- to form a list of proposals to change the current accounting model;
- hold a seminar with the management of the holding.

As a result of the analysis of the accounting model

operating at the enterprise, the developers should make an interim report on the results of the work in which to outline the identified inefficient areas and key areas of accounting optimization; preliminary list of processes for centralization; criteria for the distribution of key accounting functions between the holding and the companies belonging to the group; previous alternatives for constructing an accounting function; criteria for assessing the optimal organizational structure of accounting. Upon completion of this stage, a final report is prepared.

The key tasks of the next stage are:

- economic justification for the implementation of developed and adopted initiatives;
- development of variants of the target operational model of the accounting function;
- analysis of the possibility of creating an accounting service center (centralized accounting) for the centralization of individual business processes of the accounting function;
- preliminary assessment of the location options of such a center;
- development of the concept of transition to a new organizational model of accounting;
- calculation of benefits from the optimization of the accounting function, in particular from the reduction of administrative costs, the number and timing of reports of other optimization factors;
- to hold a seminar with the management of the holding, to make the final choice of the accounting function model.

The tasks to be solved at the last stage will be:

- develop key processes and organizational structure of the implemented model;
- identify a list of key performance indicators of business processes of the accounting function;
- determine the list of financial and management reporting for different levels of government;
- for officials of functional units to develop job descriptions where to determine areas of responsibility,

authority, the required level of qualification, key performance indicators;

- develop a standard agreement of the group's enterprises with the accounting service center;
- clarify the calculation of the economic justification for the transition to a centralized accounting system;
- develop a change management plan.

The key results of the final stage of centralization of accounting are: a report with a detailed description of all elements of the target operating model; standard contract with the accounting service center; change management plan.

The work of the centralized accounting (accounting center) is regulated by the Regulations on the implementation of a single accounting policy in the accounting center and in the enterprises served by it. In order to methodologically ensure the operation of the accounting center and to ensure uniformity of accounting in the holding should approve a package of internal standards (regulations), which should be described in detail the method of accounting function.

Conclusions

Corporate agricultural formations are highly competitive investment-attractive integrated economic structures that make a significant contribution to ensuring the food independence of the state, increasing its export potential, technical and technological re-equipment of agricultural sectors and transforming the agricultural sector into highly efficient, competitive in domestic and foreign markets. The creation of the optimal organizational structure of the holding's accounting, bringing it in line with the requirements of corporate governance is preceded by significant organizational work to centralize the accounting function. In this publication, we only outline the main stages of this process. Further researches of substantiation of organizational forms of centralization of the account, development of the organizational model of the accounting system of holding, the project of its introduction and an estimation of results demand.

References

1. Kaletnik GM Innovative support of biofuel industry development: world and domestic experience. *Businessinform*. 2013. № 9. S.155-160.
2. Goncharuk IV, Ishchenko JP Organizational aspects of accounting management in integrated research and production structures (on the example of the Institute of Bioenergy Crops and Sugar Beets of the National Academy of Agrarian Sciences of Ukraine). *Economics, Finance, Management: current issues of science and practice*. 2017. №9 (25). P.33-45.
3. Zhyk VM The concept of accounting development in the agricultural sector of the economy: a monograph. K.: NSC IAE. 2009. 648c.
4. Karpysyn YA Theoretical and methodological principles of formation and operation of agricultural holdings in Ukraine. *Bulletin of ZhNAEU*. 2016. № 2 (57), vol. 2. P. 59–70.
5. Development of agrarian holding formations and measures to strengthen the social orientation of their activities / [ed. M.F. Urticaria]. K.: NSC IAE, 2013.38 p.
6. Kireitsev GG Globalization of the economy and unification of accounting methodology: Scientific report. Ed. 2nd, reworked. and ext. itomir: ZhSTU, 2008. 76 p.
7. Dictionary of economic terms. <http://www.bank24.ru/info/glossary>
8. Commercial Code of Ukraine of January 16, 2003 № 436-IV.
9. Agriculture of Ukraine. Statistical collection. URL: http://www.ukrstat.gov.ua/druk/publi-cat/kat_u/publ7_u.htm
10. Kovalenko OV Development of corporate-integrated agricultural formations: foreign experience and Ukrainian practice // *Economics and Management* - 2011. - №2. - P. 116-120.
11. Centralization of financial management functions [Electronic resource]. - Access mode: <http://www.yurhelp.ru/news666.html>.