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WAYS TO IMPROVE ACCOUNTING OF PRODUCTION INVENTORIES OF THE ENTERPRISE

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The article examines the economic content of the categories “stocks” and “production stocks”. The classification of inventories by function, location and method of use is analyzed. It was found that the unified classification of inventories for each individual enterprise is not formed due to their industry characteristics, so this issue should be considered taking into account the specifics of production on the example of an individual enterprise. The list of sub-accounts of inventories is detailed. Problems of accounting of production stocks at the enterprises of Ukraine in the conditions of electronic document circulation are defined. The list of negative factors of influence on accounting of production stocks at the enterprise is defined: low level of efficiency of information maintenance of management of production stocks of the enterprises; inadequate level of control and operational regulation of stockpiling processes; limited control over the use of inventories; the difficulty of determining the fair (market and non-market) value of inventories, which consists in the use of barter exchange enterprises, moreover, the exchange of dissimilar assets; limited control over the use of inventories. The mechanism of improvement of the account of production stocks which can become the main precondition of successful realization of production process is offered; presented a detailed structural model, which includes the order of the necessary ways, the introduction of which into production will optimize the financial and economic activities of the enterprise, optimize the cost of acquisition, transfer to production and rational preservation of inventories, which will promote effective development. The analysis allowed us to conclude that the organization and implementation of the current activities of the enterprise constant internal control over the use of inventories will affect the gradual growth of enterprise profits.

ШЛЯХИ ВДОСКОНАЛЕННЯ ВЕДЕННЯ БУХГАЛТЕРСЬКОГО ОБЛІКУ ЗАБОРГОВАНІСТЮ ПІДПРИЄМСТВА

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облік, бухгалтерський облік, раціональне використання, запаси, виробничі запаси

У статті розглянуто зміст основних термінів: «запаси», «виробничі запаси». Проаналізовано класифікацію виробничих запасів за функціями, за місцем розміщення, за способом використання. Продемонстрований перелік субрахунків виробничих запасів. З'ясовано, що уніфікованої класифікації виробничих запасів для кожного окремого підприємства не сформовано через їх галузеві особливості, тому розглядати це питання необхідно саме із урахуванням специфіки виробництва на прикладі окремого підприємства. На основі наукової літератури охарактеризовано проблеми ведення бухгалтерського обліку виробничих запасів на підприємствах. Серед негативних факторів котрі впливають на ведення бухгалтерського обліку виробничих запасів на підприємстві, є: низький рівень оперативності інформаційного забезпечення управління виробничими запасами підприємств; невідповідний рівень контролю та оперативного регулювання процесів утворення запасів; обмеженість контролю використання виробничих запасів; складність визначення справедливої (ринкової та неринкової) вартості запасів, що полягає у використанні підприємствами

бартерного обміну, більше того, обміну на неподібні активи; обмеженість контролю використання виробничих запасів. Запропоновано механізм удосконалення обліку виробничих запасів, який може стати головною передумовою успішного здійснення виробничого процесу; представлено розгорнуту структурну модель, яка вміщує в собі порядок необхідних шляхів, упровадження яких у виробництво дозволить оптимізувати фінансово-господарську діяльність підприємств, мінімізувати затрати на придбання, списання у виробництво та раціональне використання виробничих запасів. Виявлено, що раціональне використання виробничих запасів сприятиме ефективному розвитку підприємства. Також даний аналіз дозволить здійснювати якісний поточний контроль їх використання, що в подальшому вплине на поступовий ріст прибутку підприємства.

Formulation of the problem

To ensure efficient and uninterrupted operation of finished products, enterprises usually use production stocks that are in its warehouses within the established norms and standards. In order to maintain the optimal limit of relevant production stocks in warehouses, the company carries out operations for their acquisition, taking into account the planned volume of production and sale of finished products.

Accounting, in turn, helps to control the balances, receipts and expenditures of inventories, which in turn affects the preservation of property of each enterprise.

The implementation of effective measures to stabilize the economy of Ukraine and the transition to market relations require fundamentally new approaches to the management of inventories of the enterprise in terms of electronic document management. This necessitates the improvement of the organization and methods of accounting for production stocks of the enterprise and compliance with the requirements of market infrastructure.

The issues of analysis of supply and use of production stocks at the enterprise are of great practical importance and production orientation, as full supply of production stocks and their efficient use is a prerequisite for further development of the economic process at the enterprise.

Analysis of recent research and publications

The problem of inventory accounting is considered in the scientific works of F. Butynets, B. Valuev, S. Golov, L. Zhilkina, Z. Gutsailyuk, M. Kuzhelny, V. Linnyk, V. Rudnytsky, N. Tkachenko, A. Makarenko [2], V. Sopko, P. Smolenyuk, I. Pavlyuk [5] and others. O. Baldueva and O. Rybalko emphasize the improvement of inventory accounting on the example of individual enterprises [9, p. 211].

Among foreign researchers we can single out E. Altukhov, H. Anderson, S. Barnholtz, S. Volkov, E. Kozlov and others. But at the same time the issues of organization and methods of accounting for inventories in modern conditions remain relevant and need to be improved, because in the conditions of remote introduction of business activities and the influence of other important factors it is necessary to find ways to effectively optimize this issue.

Formulation of the objectives of the article

The objectives of the article are to analyze the organizational and methodological aspects of accounting for production stocks of the enterprise and the formation of ways to improve them.

Presentation of the main material of the research

By the term stocks of the enterprise we mean resources that are not currently used and are the property of the enterprise being in warehouses of enterprises, warehouses of suppliers and warehouses of consumers, or in other designated places, held to support activities: production, sales, resale, and are used to manage the enterprise.

International Accounting Standards explain the category of inventories in more detail. Thus, based on International Accounting Standard 2, inventories are assets that:

- a) in the form of raw materials and other materials intended for consumption in the production process or the process of providing services (raw materials and supplies);
- b) are kept for sale in the ordinary course of business (goods);
- c) are in the process of production (services) for sale (finished products, semi-finished products, work in progress) [5, p. 14].

According to Yu. Romanyuk, production stocks act as material resources used for production during one production cycle, fully transfer their value to the cost of production, rational management of which is one of the conditions for efficient management [10, p. 4].

Instead, O. Rybalko revealed this term more precisely. The author emphasizes that production stocks are objects of labor that are in the company in the form of stocks of basic and auxiliary materials, as well as fuel, spare parts, returnable waste, containers and other materials that are intended for use in the production process and for any other needs of the enterprise under the condition of their full consumption in one operating cycle [9, p. 210].

Inventory accounting is organized by name (types) of raw materials, and within each type – by sections, types, groups, varieties and individual names, ie by individual nomenclature numbers, units of quantity and quality and historical cost.

Consider in more detail the classification of inventories in Fig. 1

For the organization of synthetic accounting of the availability and movement of inventories at the enterprises

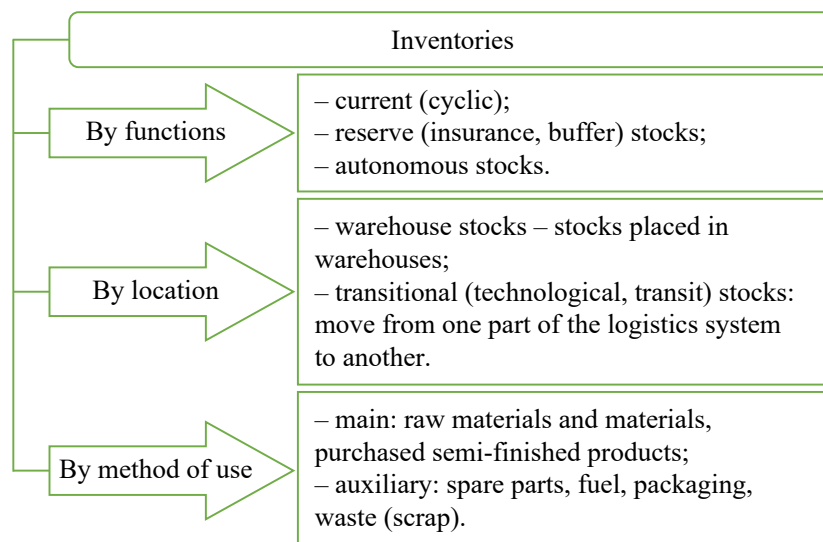


Fig. 1 – Classification of inventories

of Ukraine is used account 20 «Inventories» on the sub-accounts shown in table 1.

Table 1 – Subaccounts of inventories

20 “Inventories”	
№ Subaccounts	The name of the sub-account
201	Raw materials
202	Purchase semi-finished products and components
203	Fuel
204	Containers and packaging materials
205	Building materials
206	Materials transferred for processing
207	Spare parts
208	Materials
209	Other materials

In the debit accounting of each of the above. 1 sub-account reflects the receipt of inventories at the enterprise and as a result of revaluation – an increase in the value of inventories. In the accounting for the loan of each of those listed in table. 1 sub-accounts reflect the use of inventories, including the production of finished products, sales to contractors on the basis of concluded contracts, reducing the value of inventories due to fair discounts by the decision of the relevant commissions of the enterprise.

It should be noted that most of the production stocks at the enterprises are purchased from suppliers (both domestic and foreign) on the basis of agreements, contracts and related agreements. Equally important is the fact that after shipment, the supplier issues an invoice (bill) or other settlement and payment documents for tangible assets. In such documents, it is usually necessary to indicate: the name of production stocks, their nomenclature number, unit of measurement, quantity, variety, price of stocks, the total amount to be paid, indicating the amount of VAT.

The classification of inventories is of paramount importance for the formation of accounting policies for inventories. However, a unified classification of inventories

for each individual enterprise can not be recommended due to their sectoral characteristics, so this issue should be considered taking into account the specifics of production of these enterprises.

According to I. Pavlyuk, among the main problems faced by enterprises when accounting for inventories are the difficulty of determining the fair value of inventories, which may be market or non-market, due to the fact that companies use barter or exchange for dissimilar assets [6, p. 40].

A. Makarenko has a slightly different opinion, who believes that the process of accounting for production stocks slows down the low level of efficiency of information support for the management of production stocks of the enterprise [2, p. 27]. In our opinion, the problems of organizational and methodological nature include the inadequate level of internal control and operational regulation of inventory processes and limited control over the use of inventories at the enterprise. Therefore, for the successful implementation of the production process at the enterprise it is necessary to improve the documentation of operational and analytical accounting of inventories.

We believe that among the effective ways to improve the introduction of inventory accounting is by simplifying the registration of operations related to the movement of inventories, which in turn will allow effective control over the careful and timely inventory and improvement of inventory accounting methodology and determine the optimal needs in the amount and rational use of inventories.

An effective solution to the problem of preserving inventories can be the construction of each enterprise’s own storage facilities and equipping them with the latest measuring instruments, measuring containers, lifting mechanisms.

One of the main organizational aspects of the preservation and availability of inventories is a timely inventory, inspections of the release of inventories into production.

The practical experience of the authors made it possible to state that the improvement of inventory accounting is

possible only by improving the process of documenting and using cumulative documents, ie information, limit-collected cards, inventory cards as a cost document for released materials, taking into account the development of IT technologies.

In the conditions of computerization and digitalization of accounting, it is expedient to form a single form of document, which is intended for the release of inventories in the system of electronic document management. In this document, we propose to indicate the objects of both primary and secondary production under the appropriate codes, which may indicate for what purposes a particular resource is needed, in turn spare parts and basic products, one-time orders, repair and maintenance needs will be formed not in a large number of different documents but in one.

There is an urgent need to develop detailed instructions for specific executors, these can be job descriptions, extracts from document schedules, which, in our opinion, will avoid errors and violations in the collection and registration of operational facts about inventories. At the same time, both the system of incentives and the system of penalties (for example, fines, deprivation, etc.) for the

performance (non-performance) of their duties by specific performers should be developed in each company.

As a result of our proposed mechanisms to improve the accounting of inventories at the enterprise will determine the optimal need for inventories and their rational use.

Conclusions and prospects of further research in this direction

Thus, having considered the problems of accounting for inventories at the enterprise, we have identified ways to improve the accounting of inventories at the enterprise, namely: the use of unified forms of primary and consolidated documentation; introduction in the system of accounting policy of the enterprise of detailed schedules of document circulation of production stocks; control over informing the executors of their functional responsibilities when creating and verifying the primary document.

In our opinion, it will be effective to issue administrative documents to persons who are responsible for conducting business operations and have the right to sign primary documents. Equally effective will be the organized control by accounting staff and the accuracy and timeliness of the primary documentation of inventories.

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