

USE OF THE ALGORITHM OF DETERMINATION OF FINANCIAL FLOWS

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An important characteristic is how cost is used at all levels of the economy, from the analysis of each type of product to the sectoral characteristics of the products / services produced.

From the above, we can conclude that the first task in correcting the previously mentioned range of issues is to choose a reliable mechanism for managing the factors of reducing the cost of goods and services. Economic studies of cost were performed by the following authors: King A., Atkinson EA, Kotler F., Foster J., Weizmann NR, others indicated that all enterprises have reserves of cost reduction, both in industry leaders and in outsiders. So theoretical and methodological issues of the study of budgeting was considered in the works of Van Horn JV, Vakhovich JM, Blanca AI, Sheremeta AD, Akkoff RL and other.

Cost information is used in the formation of the balance sheet, income statement. In addition, it is used in budgeting, which in turn affects the range of products / services produced, their pricing, changes in the formation of new markets. Thus, the indicator may vary depending on the purpose for external and internal factors of information users.

The issue is important for all market participants in goods and services, regardless of workload and staffing. The main issue in budgeting is the concept of limited resources and their efficient allocation, as well as the focus on a specific quantified output. It is necessary to define what the budget is: the plan of development of the business entity for the year is expressed in cost form with the compliance with the strategic goal set by the

enterprise with the established forms of financial statements. Thus, the budgeting method consists of two blocks.

The first is to generate output for budgeting. It indicates the interaction of participants in the budgeting process and the impact of factors on budget planning.

The second block is a set of actions for the formation of a protocol of all budgeting actions, which can be expressed by the algorithm.

So the first step is to discover the source information. It is an analysis from first sources and information already processed. Then the budget is executed. Already in the process of its implementation the process of control is activated, the use of the known algorithm of execution-control-analysis gives effective sources for the development of the potential of both the enterprise as a whole and its individual structures. If errors are found, you should return to the beginning of the algorithm to make adjustments and improve further work. Complex budgeting measures help to fulfill the strategic goals of the enterprise.

So, in a sense, the budgeting process can be called cyclical when plan-implementation-control is a continuous process.

In order for the process of change and adjustment to be orderly, it is necessary to recall once again the need to establish and adhere to the strategic goal of the enterprise, which should be taken into account even when budgeting for a single unit or operation.

Here, budgeting can be considered not only as a financial instrument of the enterprise, but also as a technology for managing business processes in production. part of which is control.

Control is a check for compliance with the rules, consistency and adjustment as necessary. This indicates the constant cyclicity of the decision-making process and changes to the algorithm to improve the efficiency of implementation of the established plans.

As part of a single management mechanism, resource management is linked to other management functions. Thus, control over the cost of production begins in the planning process, but despite its unequivocal importance, the implementation of this aspect is often not performed at this stage and is implemented only in the process of economic activities for the production of goods / services. Continuous changes in the production process, changes in the characteristics of factors of production (changes in the quality of raw materials, conditions for the provision of certain services, etc.). Thus, when organizing controls, they often pay attention to the verification of certain activities, operations, sites. However, it is not possible to constantly exercise operational control and simultaneously influence the execution of processes without a well-balanced budgeting system.

Budgeting efficiency as a means of reducing costs is incomplete. It's important not to cut costs, but to use them effectively. The scope of the budget, which is focused on the financial results is limited only to determining the expenditure part of the budget. If you consider budgeting as part of the factor control system of economic development of the enterprise. So it can be said that it is the receipt, control and management of the financial flows of the enterprise, and more specifically budget planning.

Thus, the budgeting process without the use of accounting, which allows any source of formation of funds and funds to the directions of use will not fully systematize the financial resources of the enterprise. The implementation of the strategic goal set by the enterprise should include the above algorithm, which allows from the source of funds to their practical use in production with determination of budget revenues. That is, the goal is to focus on revenue, not on costs and planning.

The main thing is the sequence of actions in carrying out this process: defining the strategic goal of the enterprise; development of the budget as an action plan and ensuring its im-

plementation, control, and most importantly adjustments depending on the influence of external and internal factors. The result can be an effective budgeting system.

All of these issues are multi-component components of an enterprise performance assessment formula that changes as a result of economic change in the world and the expansion of borders. Competitiveness in the European market for goods / services is so high that in order to create an appropriate level of national financial system, each component of a complex financial system is a factor in influencing the effectiveness of all system parameters.

Further development requires a system for defining the strategic goal of the enterprise and making adjustments to this process, taking into account the financial flows of the enterprise, as well as identifying the potential in the production capabilities of the enterprise using accounting tools for the study of financial flows.

References:

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