

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
MUKACHEVO STATE UNIVERSITY

# **ECONOMY AND SOCIETY**

**Electronic scientific journal**  
VOLUME 6

**Mukachevo**  
**2016**

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**Recommended to distribution to the Internet the Academic council  
Mukachevsky State University  
(The protocol No. 8 of 15.12.2016)**

**Edition site: [www.economyandsociety.in.ua](http://www.economyandsociety.in.ua)**

## ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

### METHODOLOGICAL BASES OF ANALYSIS OF THE SOCIO-ECONOMIC ESSENCE OF HOUSEHOLDS

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The market organization of economic life presupposes coexistence of three main institutional agents – state, business and households. Among these objects, households play a considerably important role. They are a mandatory element in the market circulation of goods and resources, and their consumption is an important indicator of welfare. In modern conditions, households are the least studied agents in economics.

The household is a result of the activity of one or more persons who live together and carry out joint household. One of important aspects of life in the household is its consumer behaviour.

The aim of this article is a methodological analysis of socio-economic essence of a category of household, its signs and structural-functional features.

Theoretical and methodological basis for analyzing households was studied by such scientists as O. Baranovskyi, I. Bodnar, O. Vatamaniuk, E. Libanova. The role of households in the development of market relations was studied by N. Rymashevskaya, V. Zherebin, A. Romanov, N. Manokhina, A. Oleinyk and others.

The modern interpretation of the household in the wide understanding is difficult enough, many-sided, multidimensional, and needs a clarification. The analysis of scien-

tific literature specifies that there are different approaches in relation to determination of the essence of households. Typically, the household is considered as an economic entity consisting of one and more individuals who jointly undertake economic activity and have a common budget.

In the economic theory today, there are a few approaches to the interpretation of a term “household”: registration-statistical, functional and institutional.

Among the basic signs of households, it is possible to define: compatible residence and arrangement way of life, common menage, possessing certain resources, presence of general budget, independence in the acceptance of economic decisions, aspiring to the maximal satisfaction of necessities. Modern research of household should be based on complex methodological approach, embracing different theoretical conceptions.

This study determines the possibility of the households’ functioning in different economic systems as a complex of socio-economic phenomenon. In modern society, the household should be considered as a special microlevel economic system that is characterized by not only socio-economic potential, and also certain functional structure, economic-economic and consumer behaviour.

## THE ESSENCE AND ROLE OF COMPETITION IN MARKET ECONOMY

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The article investigates theoretical aspects of competition and its role in the marketplace. The key concept that expresses the essence of the market economy is the concept of competition. The effectiveness of managing the economy largely depends on understanding the nature of competition, forms of its manifestation, methods of competition and factors that determine the readiness of the economy to such a struggle. In the face of a large number of different scientific approaches, particularly important is a study of the evolution of views on the competition, because in this way it is possible to systematize recommendations on the increasing of competitiveness as a separate economic entity and economy as a whole.

Particularly relevant in terms of intensification of globalization and integration processes is the study of competition as an economic category and study of ways to improve the competitiveness of enterprises.

The main purpose of this article is to define the basic theoretical aspects of competition in a market economy.

Characteristics of the market economic environment will be incomplete without a consideration of such a significant economic pattern as the competition. Market – is the organizational structure in which there is a certain order. The force, which ordered relationship between producers and consumers, is the competition.

In a market economy, the competition – is a struggle between the producers of goods and services for the best, economically favourable terms of production and sales of their product. This definition of competition prevailed in classical and neoclassical theory. These theories considered competition as an

independent behaviour of economic agents who sought to establish control in the market.

The competition is a key instrument for regulating the market economy and an important part of the market environment of an industrial enterprise. The result of the competition, on the one hand, is the aggravation of production and market relations, and on the other – the efficiency of economic activity, acceleration of NTP.

In the twentieth century, the definition of competition as behaviour is complemented by structural concept, the essence of which is not connected with the struggle but with an analysis of market structure, i.e. the conditions which prevail in it. In this case, the competition is not directly defined as a struggle. Definitions of model or structures of market, within which manifests itself a special competitive behaviour of economic agents, become the most important.

Competition dictates strict technological discipline, requires high quality products, modern design, ability to anticipate future needs, not just trade that made and still are in demand.

Three main approaches should be distinguished in the definition of "competition". The first defines competition as a part of the market mechanism, which allows balancing supply and demand. This approach is peculiar to the classical economic theory. The second approach defines competition as a criterion for determining the type of industry market; it is based on the modern theory of market morphology. Third one – defines competition as contentiousness, rivalry in any arena between different actors interested in achieving the same goals.

## WORLD ECONOMY AND INTERNATIONAL ECONOMIC RELATIONS

### ECONOMIC TRANSFORMATIONS IN AGRICULTURE UNDER THE INFLUENCE OF CLIMATE CHANGE EFFECTS

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Since the beginning of XXI century, climate change is increasingly raising the risk of losses in agriculture (over a shortfall of planned harvests). In the highly globalized world it leads to failure of market laws by the fluctuations in the world agro-food prices. It is a rather complicated scientific problem to identify and confirm the linkages between global climate change and fluctuations of economic parameters, since it requires the integration of at least three different models: climate, plant growth and economic.

In this study, we tried to summarize the nexus and changes in the agricultural component of the economy under the impacts of climate change.

It is considered that in the medium term (by 2050) under the maintaining the current trends of greenhouse gases emissions there will be dominated the negative effects of climate change on agriculture. In this case, more sensitive economic parameters of the agriculture to climate change are the world agro-food prices, productivity (yields), crop area and production levels, and less sensitive – consumption and international trade.

The shortfall of potential (without climate change) crop yields and increasing global food demand will affect the equilibrium of the market prices towards their increases. This will create incentives for farmers, which try to compensate for the loss of productivity

by improving technology and management systems, and the expansion of areas under the commercial (with the highest prices) crops. Within the climate change by 2050, some part of arable land will become unfit for production use: mainly, in the developed countries (21-32 million ha according to the different socio-economic scenarios), and also in the some middle-income developing countries, like China, India, Russia etc. (up to 32 million ha under the worst scenario). These land losses could be compensated by the plowing up new areas in the equatorial Africa and Brazil. This may create additional environmental risks, increasing the negative contribution of agriculture to climate change.

However, despite the impact of climate change, the world production of major crops in 2050 according to the modelling results will grow by 30% compared to 2010. Most of the benefits of climate change will be distributed among the developing countries, while the developed ones will lose their share in the world production. As a result, within the climate change there will be a gradual geographical relocation of the world centres of production and consumption of agricultural products. It will affect the vectors and the absolute volume of world trade flows, although the relative world trade index (compare to the output) won't change significantly.

# THE IMPACT OF EUROPEAN INTEGRATION ON THE DEVELOPMENT OF VENTURE FINANCING IN UKRAINE

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Today an important task is to search for innovative ways of investing new developments, i.e. a search for alternative sources of investment resources. One of the promising areas of solution to this problem may be the development of venture capital industry. Indeed, international practice once again proves that venture capital emerges as the most viable and effective form of investment capital.

In Ukraine, the development of venture business started in 1992 year after the signing of the Foundation «Ukraine» – the first venture capital fund in the country.

In 2001 in Ukraine was adopted a law «On Joint Investment Institutions (Unit and Corporate Investment Funds)», which allowed to optimize financial flows. In 2012, relevant as of today the Law of Ukraine «On Joint Investment Institutions» on 05.07.2012 was updated.

The main focus of asset management in Ukraine is Ukrainian Association of Investment Business (UAIB), which is a voluntary non-profit organization that brings together all of the asset management company in the country, which is founded in April 1995.

The protracted economic crisis in the country, stagnant domestic stock market, introduction of legislative and tax changes in the scope of joint investment institutions – all of which adversely affected the activity of joint investment institutions and their performance.

Ukraine continues clotting activity of professional participants of joint investment

institutions. Among the reasons for reducing the number of venture capital funds should be called intensification of integration processes. Analyzing the number of joint investment institutions for years, it is worth noting that in 2015 the number of joint investment institutions was 1147 units, compared to 2014 – by 41 units less. The situation for the two quarters of 2016 is slightly better; in fact, the number of joint investment institutions on November 15 in 2016 is 1,160 units (+ 13 units, compared to 2015).

Considering the European integration vector of Ukraine, there is a requirement of compliance with the European standards at least on several counts. Among them are the following: 1) government support, because, in the EU a state is a driving force of venture business and motivating factor, while in Ukraine, the state is showing a certain passivity, helping only at the later stages of the start-up, which prevents the development of most projects at an early stage of a new idea or technology; 2) sectors of economy – in the EU investments are made in almost all areas of the economy, in Ukraine – funding is only in attractive sectors.

So, modern trends in venture financing in Ukraine is characterized by the need of innovation development, at which venture funds are aimed. The latter are the only a partner of venture firm, but using its experience it is possible greatly promote the competitiveness of products in the domestic and foreign markets.

## CRITERIAL AND CLASSIFICATION IDENTIFICATION OF “MEDICAL SERVICES” CATEGORY

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Development of health services should not be seen only in a narrower format of quantitative redistribution of resources between key sectors of social production. Qualitative aspects of the process are also of high urgency, namely a substantial increase of the role of health services in social development and the expanded reproduction of human resources. Their functions in these processes are both general and specific because of different nature of the result of socially useful activity in the field of health care. On the one hand, the therapeutic activity positively affects the physical condition of man, strengthens his health, makes free from disease or facilitating their effect on the patient; and on the other – provides preventive care, attaining in their functions for socially useful activities in the field of physical culture and sport, ecological and envi-

ronmental protection, as well as other kinds that nor in health doctrine nor legally are considered as medical.

The article deals with the features of health services. The author has analyzed the mechanism of medical services' influence on countries' macroeconomic growth and their international competitive position. The economic effects of the medical industry functioning are discovered. The social role of health services in shaping health care system is analyzed. The author characterized trends of health services. The approaches that are now forming the basis of national systems of health care, in particular, of the Member States of the European Union, are considered. In this article, currently existing interpretation of the essence of “medical services” category is overviewed.

## **DIRECTIONS OF FORMATION OF THE MECHANISMS OF ECOLOGIC MEASURES' IMPLEMENTATION IN THE WORLD TRADE AREA**

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An essential component of the world economy ecologization is the harmonization of international trade relations and their environmental settings. The multi vectored complexity of this process necessitates the formation of effective mechanism for the world trade ecologization within the global development of the world trade interaction. The main interrelated parts of it are considered as international environmental standards that are the basis for the implementation of environmental decisions in international trade relations ensure regulatory system of trade and environmental cooperation at all levels of development and specific tools that provide funding for environmental initiatives in this area. It is substantiated the preconditions of environmental standards usage to ensure a high ecologization degree of global commodity markets; the organizations are identified whose activity provides the implementation of mechanism of international environmental standardization.

It is investigated the mechanism structure for regulating the ecologization of the world trade, which should be considered as

a complex systematic architectural structure. Its functioning is provided in close relationship between structures and bodies of all economy levels. The use of financial instruments, which are seamlessly interconnected and can be considered as an integral financial mechanism for achieving trade and economic goals, is defined as an important part of achieving a high degree of the world trade ecologization. Specific displaying of its implementation is the application of tools aimed at regulating the global environmental measures. There are some essential among them, such as environmental investments, environmental innovation, environmental taxes, environmental subsidies, environmental credits, prices for environmental goods and services.

Effective ecologization mechanism of the world trade should stipulate joint efforts of the global economy participants towards the development of complex standards, rules, regulations, agreements for coordination of economic, including trading needs and interests to the natural resource potential of the planet.

# **GEOGRAPHIC STRUCTURE OF UKRAINIAN EMIGRATION: ANALYSIS OF EXISTING TRENDS AND PROSPECTS OF OVERCOMING PROBLEMS**

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External migratory movements of Ukrainians for temporary work or residence also increase existing socio-demographic and economic challenges, including decrease of the natural reproduction potential of Ukraine.

Analysis of the geographic structure of Ukrainian emigration allows revealing the priority directions of Ukrainian migration abroad for analyzing the actions of institutional, economic, social, political and other factors of migration on the migratory corridors formation.

The study aims to the analysis of the geographical structure of Ukrainian foreign migration and the defining of the main trends at the current stage of European integration reforms in Ukraine.

The study analyzes the state and trends of emigration from Ukraine based on Ukrainian migrants stocks indicators by countries of destination, published by the World Bank and the International Organization for Migration.

In particular, the average indicators of the migrants stocks volume in destination countries in 1960-2015 are calculated, the list of destination countries with the larg-

est average size the migrants stocks in the studied years is highlighted, as well as the growth rate of the migrants stocks volume in destination countries for studied periods is analyzed.

It is determined that the priority vectors of Ukrainian leaving abroad are such countries as the USA, Germany, Poland, Czech Republic, Great Britain, Italy. However, we should pay attention to Russia, Israel, Spain, Portugal and Canada as the countries with large Ukrainian migrants stock.

This causes a significant attractiveness of these countries from the viewpoint of easy integration of migrants in the destination country based on formed domestic Ukrainian environment. The results of this analysis are useful for identifying a system of institutional, economic, social, political and other factors of migration.

These and other factors should be determined as the basic in the migration policy formation and its adaptation to the features and parameters of migratory corridors and existing legal and institutional environment of international economic relations in the field of migration.

## ECONOMY AND OPERATION OF NATIONAL ECONOMY

### **FINANCIAL ASPECTS OF ENSURING THE ECONOMIC SECURITY OF HIGHER EDUCATIONAL INSTITUTIONS**

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The article states that higher education institutions share many characteristic features with enterprises.

It is noted that considering the fact that one of the important objectives of the higher educational institutions is providing preparation of the competitive specialists in both the domestic and international labour market, an accomplishment of this task in the stated aspect comes into contradiction with insufficient funding of the higher educational institutions and has a negative impact on the level of their economic security.

In this context it is determined that in conditions of market economy it is expedient to focus on identifying problems of quality in higher education and higher educational institutions economic security in a system of unity, that in turn requires the consideration of higher educational institutions' economic security in view of its inclusion to the conceptual scheme: national security – economic security – economic security of country – economic security of state – economic security of enterprise.

It is noted that one of the most significant competitive advantages of Ukraine on the

way to building economics of knowledge is a high level of education of its citizens.

Considered the main aspects of ensuring the economic security of higher education institutions in terms of their financing, there is defined an interrelation of amounts of financing of higher education with domestic economic security of higher education institutions.

Conclusions are done that the insignificant amounts of financing and unbalance structure of postgraduate and doctoral studies as instruments of professional training for meeting the needs of the economy, labour market requirements and employers contribute not only to the deterioration of the quality of domestic higher education, but also –decrease of the level of economic development and are threats to economic security of higher educational institutions and, therefore, to the economic security of the country, state and national security in general.

Measures are offered for increasing financing of higher education that in perspective will produce a positive effect on increasing the level of economic security of higher education institutions and, therefore, on economic security of the country, state and national security in general.

# INTELLECTUAL PROPERTY: DEFINITION, STRUCTURE AND ROLE IN THE CURRENT ECONOMIC CONDITIONS

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The article describes the main approaches to the definition of “intellectual property” as the totality of the results of intellectual activities of human beings in scientific, artistic, industrial and other areas, and related property and non-property (personal) rights. The analysis of existing classifications of intellectual property is made on the basis of the Convention, which established the world intellectual property organization (WIPO), and the known Russian scientists. Described the place and role of intellectual property in the activities of business entities and the dynamics of financing the development of intellectual property through the prism of innovation activity in Ukraine. It is proposed

to create departments to carry out research that will attract additional capital investment, provide competitive advantage and to earn additional income from the sale of licenses to use intellectual property. It is clear that in the current crisis a significant number of companies cannot afford to innovate at their own expense, and the underdevelopment of the domestic stock market and the difficulty of attracting loans do not allow the use of these classical instruments to raise funds. A way out of this situation is the state support of innovation and innovative mechanisms for attracting investments, one of the most popular of which in recent years has become crowdfunding.

## **ENSURING ECONOMIC SECURITY IN ENTERPRISES RESTAURANT BUSINESS**

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The article deals with topical issues of economic security in enterprises restaurant business. In particular, proved that the safety of restaurant business provides stability of their operation, sustainable development and the ability to confront danger and obstacles in achieving business objectives, effectiveness of economic activity and personal security of staff and customers. At a theoretical level defined meaning of economic security of restaurant business. Investigated the process of security enterprise is time consuming and takes a lot of material, information, financial resources, which is the object of economic security. In practice, the restaurant industry enterprises face a number of problems with economic security. Therefore, the results of the study determined that it is necessary to create a system of monitoring of catering businesses to identify indica-

tors of economic security of the state of the restaurant. Interested in monitoring all levels of management of restaurant companies that should ensure continuity of observation of the monitored taking into account both the actual state and prospects of development of the enterprise restaurant management. In a study of attention given to the specifics of the restaurants, which allowed the following important indicators of economic security: normal, crisis, critical. Proved that businesses should help identify the problem and take measures to prevent threats to economic security company restaurants. Our analysis of approaches to assess the security made it possible to find that currently topical is the issue further search integrated components improve the security of enterprise restaurant management, which may be the subject of further research.

## **DIRECTIONS FOR THE DEVELOPMENT OF GRAIN PRODUCTION ON THE INNOVATIVE BASIS**

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Agricultural production is a priority agricultural sector of the economy. It provides the population with quality food and processing industry with raw materials. One of the leading positions in the structure of crop production is taken by grain products. Grain farming is a strategically important sector of the agrarian economy of Ukraine and is the basis of the national agro-food market.

Release of competitive products grain industry is only possible through the use of modern technologies and implementation of innovation at agricultural enterprises.

The main goal of the state innovation policy is to create socio-economic, organizational and legal conditions for effective reproduction of the development and use of scientific and technical potential of the country, ensuring implementation of modern environmental, safe, energy-saving and resource-saving technologies, production and implementation of new types of competitive products.

An important condition for achieving effective development of grain production is a rational distribution of crops in crop rotation. The introduction of crop rotation helps: increase crop yields and improve product quality; conservation and restoration of soil fertility, regulate the balance of nutrient supply; accumulation and rational use of water; rational use of land, material and labour

resources and technological means; preservation of the environment at a safe level. To date, the entire sown area of agricultural crops is 26902 thousand hectares.

Effective component of innovative development of the agricultural sector is the development of breeding and seed production. Developing and introduction of new varieties and hybrids of crops have to be under zonal climatic conditions of the region.

It can be argued that the most important resource of competitiveness of grain farming is the technique. This is the main regulator of the amount of work and processes, as well as a means to use new technologies, knowledge-intensive processes that enable significantly improve productivity of land and increase the impact of inputs used in production. Progressive development of grain production is practically impossible without the introduction of innovative technologies.

Therefore, improving the efficiency of grain production is almost impossible without the introduction of innovations in the industry. There are many ways to enhance the quality characteristics of grain and its competitiveness. Positive results can be achieved by the rational land use and cultivation, new technologies and techniques in production, efficient allocation and crop rotation observance, introduction of new more

productive varieties and hybrids, depending on the zoning, use of environmentally friendly and resource-saving technologies. Innovative direction and optimization of com-

plex grain production, adapting it to current market trends grain products will increase the performance of economic efficiency and profitability of this industry.

## DEVELOPMENT OF COGNITIVE MODEL OF MORAL HAZARD

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In the article the concept of moral hazard is studied. The theoretical foundations of the concept of moral hazard are considered. In the article, a number of factors affecting social responsibility are developed; directed graph through which we analyze the impact of moral hazard on social responsibility is built. In the article, the directions of development and interaction of factors that affect moral hazard are investigated. The influence of moral hazard on each of the factors of social responsibility is analyzed. Moral hazard is closely linked with cognitive modelling of a cognitive model aimed at identifying patterns of behaviour subject to further development and adoption of decisions on its management.

Recently, for the study and modelling of processes in complex systems, methods of cognitive structuring are applied more broadly. Use of a cognitive model proved to be very fruitful and now there is a rapid increase in work in the field of cognitive modelling of semistructured problems. Cognitive structuring makes it possible to objectify

expert knowledge in the subject area, formalize studying the problem. Cognitive modelling is a research and development operation of complex systems and environments based on building cognitive maps that reflect subjective perceptions problems or situations investigated related to the operation and development of complex systems. The results of forecasting of social and economic spheres are concerning pulse simulation. They reveal the economic, political and social patterns of prevention and preventing negative tendencies of the social and economic sphere in order to receive theoretical and practical knowledge about the problems and formulate on this basis practical conclusions.

In the last decade it is becoming more common for investigating to make cognitive analysis of large systems that operate under uncertainties of various kinds, as well as to drive the development of situations in these systems. With the use of cognitive structuring, knowledge experts manage to build a formalized domain model – the cognitive model of social and economic sphere.

## DEFINITION OF PRIORITY AREAS AND INDUSTRIES OF AIC AS A WAY OF STATE REGULATION OF AGRARIAN SECTOR

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The article deals with the definition and state regulation of priority areas and sectors of the agribusiness for sustainable assurance of food independence. The paper outlines the current state of the structure of agriculture and priority directions of further development.

The structure of AIC is traditionally divided into three areas: first – industries producing capital goods for agriculture; second – agriculture (agriculture and livestock) and forestry; third – industry, processing of agricultural raw materials.

Under these conditions, the optimum state regulation of AIC priority areas has economic, political and international importance. Given the above, the study and understanding of state regulation of agricultural activities will help create a favourable social environment for its improvement.

Priority development of agriculture in the economic policy of the state is reflected in the following documents: The strategy of development of agriculture of Ukraine till 2020; Strategy of Agricultural Sector “3 + 5”, Strategic directions of development of agriculture of Ukraine till 2020.

Government policy on agriculture was outlined in the presidential program for 2010-2014 “Prosperous Society, Competi-

tive Economy, Effective State”. Current strategic priorities in the Ministry of Agriculture and Food presented a new strategy – the strategic directions of development of agriculture of Ukraine till 2020.

Today, the priority area of the agricultural sector is agriculture, and therefore priorities of the agricultural sector are:

- implementation of promising innovative agricultural technologies aimed at increasing productivity, reducing costs per unit of output, improve its competitiveness;
- improving the quality of land resources through the introduction of sustainable crop rotation, use of fertilizers, especially organic complex of measures to protect soil;
- combating pests, weeds and diseases of crops, which allows increasing the yield by about 20%;
- intensification of agriculture through the mechanization and computerization of production, chemicals, reclamation; intensive development of biotechnology in crop and livestock;
- intensification of livestock through advances in genetics and plant breeding, improved fodder;
- formation of highly professional staff;
- reduction of losses of agricultural products in its collection, transportation, storage and processing.

# CLASSIFICATION OF RISKS OF THE RAILWAY TRANSPORT AS A BASIS FOR FORMATION OF ECONOMIC SECURITY OF ITS FUNCTIONING

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The railway transport sector is complex man-made system, the operation of which is accompanied by various risks threatening its economic security. Because rail transport must provide high quality and fast transportation of goods and passengers, taking into account the protection of their financial and economic interests of adverse factors and extraordinary events that are linked with activities like railway transport, and interaction with the users of its services. This complicates the process of creating a security system and rail traffic requires the formation of an effective mechanism to identify, analyze and prevent risks, and their financing.

Rail transport is responsible for all threats emanating from the operation of rolling stock that is causing damage to others, personal injury or death of passengers and damage to life and health of employees, third parties or their property, in addition, bear significant losses in case of damage of technical means and railway infrastructure.

Railway transport in modern conditions requires efficient use of resources and consideration of all transport risks as increasing the likelihood of damage and losses from extreme events is growing. The factors that affect the risks in the rail transport include: increasing the intensity and speed; complications of climatic conditions, increase of air and snow loads; dangerous goods; high level of depreciation of rolling stock and rail infrastructure; formation in the rail transportation of intermediary structures for various

purposes; decline in rail transport technical equipment over the lack of innovation and investment support development of the railway sector and others.

Therefore, in terms of railway reform a problem of valuation and accounting of risk increases and reducing of risks that affect the process of rail transport has a significant economic impact and radically solves the main concept – economic security of railway transportation.

Problems of security of cargo and passengers, as well as preventing losses and damages from extreme events become important for the further normal functioning of railway transport. The main task is the most accurate prediction of possible risks of accidents and emergencies, as well as the size of losses as a result of their occurrence.

Today there are already developed modern methods and technologies of prevention of emergency situations on railways of other countries and set up systems for forecasting risk of accidents and disasters in other industries. Therefore, on the basis of experience of preventive activities in the transport sector and foreign experience in management of rail risks it is important to create a national system of prevention and risk insurance on rail transport. It is necessary to create legal, organizational and economic mechanisms to reduce the risks of emergencies in rail transport by auditing these risks and improve control action for their implementation.

## **INVESTIGATION OF THE PROBLEMS OF WATER RESOURCES USE ON THE EXAMPLE OF RIVNE REGION**

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This article gives characteristic of Rivne region's water consumption in the context of attracting the water resources into industrial, agricultural and municipal sectors. The methods of solving the main water consumption problems on the national level and basing on the water consumption of Rivne region are proposed. The purpose of the article is to form directions of rationalization of water use in the Rivne region.

Environmental activity as well as development and implementation of the system of measures concerning the rationalization of water use of the sectors of economy of the Rivne region need distinguishing problems of water use, highlighting main problems with taking into account real data on recent water use and search for ways of solving the problem, including statistical, forecasting methods and a method of system analysis. The rationalization of water use processes requires studying components of the system of water use within the Rivne region, which

in turn forms the purpose of the research and relevance of its theme.

The system of rational water use should develop main environmental, economic and social problems of water use, group them in accordance with territorial and sectoral directions and combine into a single efficient mechanism, key links of which would function separately and together with taking into consideration of tendencies of the rationalization and ecologization. The Rivne region demonstrates problems of water use at the level of all consumers of water resources. Industrial water use requires setting up an investment climate and taking into account innovative world-view at the level of establishment, development and reorganization of enterprises. Municipal water use shows a deterioration of own resources. All of this is liable to the sole economic mechanism of rational water use, which at the same time refers to state mechanisms.

## RESORT AND RECREATION SECTOR OF UKRAINE: STATE, LOSSES, WAYS OF SANCTION

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The article analyses tendencies of development of resort and recreation sector in Ukraine in 2011-2015. It is determined that as a result of the Crimea annexation and war in Donbas the country has lost a control over 800 establishments (spa resorts, health camps, pensions, recreational centers etc.), which carried out activities in the field of providing resort and recreation services to the population. At the same time, total losses in a number of year-round beds in resort and recreation establishments amounted to 40%, which amount to 54.7 thousand units in quantitative terms. The decrease in the number of specialized means of accommodation essentially affected the personnel dynamics in these establishments. During 2011-2015, the average number of staff employees in specialized means of accommodation has decreased from 102.6 thousand people to 45.1 thousand people, or by 56%. The level of income from services provided by establishments of resort and recreation establishments has decreased in 2 times. The number of foreign citizens accommodated in specialized means of resort and recreation sector has decreased almost in 10 times.

It is determined that the negative dynamics of development of the resort and recreation sector of Ukraine during recent years is a result of joint action of two processes: firstly, orientation mainly toward market regulators and significant weakening of state regulatory impact; and secondly, considerable losses of the sector over the generally known geopolitical events. A confirmation of the state insufficient attention is the obsolescence of legislative and regulatory frame-

work, liquidation of the central government authority as a separate profile structure, lack of developed and approved strategy, system of forecasting and monitoring of the sector development and, accordingly, insufficient attention to existent problems from the direction of local authorities.

For the purpose of effective management of resort and recreation potential of the country and increase of the level of its efficiency, there are grounded directions of regulation at the legislative level of issues of division of powers among state executive authorities, which have a direct bearing on carrying out resort and recreation activities. Moreover, determination of identification features, status of resort and recreational territories and classification by different categories (international, state, local significance), as well as specification of their list and appropriate competence of state authorities of different levels concerning the enforcement of powers on such territories need a normative consolidation.

It is proposed to evaluate the role of resort and recreation sector in the development of territorial formations by several directions, namely: by the influence on the formation of resumptive indicators of the regional economy development; by the participation in the creation of financial base of territories; by the achieved indicators of the society standard of living in the resort and recreational regions; by the level of participation in the formation of the territory and increase of the level of its attractiveness for businessmen and revelers

Further researches concerning the finan-

cial rehabilitation and effective development of the resort and recreation sector of Ukraine are recommended to be conducted toward the scientific methodological substantia-

tion of concrete measures and tools of the state policy and their applied use taking into account specific features of some resort and recreation territories in the country.

# CONCEPTUAL AND CATEGORICAL FRAMEWORK IN THE THEORY OF INNOVATIVE CLUSTERS DEVELOPMENT

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The world practice shows that cluster-based unifications of enterprises are the main driving force of development of innovative economy, as by the essence they are economic entities, which are characterized by the implementation of innovative-oriented economic activity. Today Ukraine has a set of systematic problems, which not only cause the lack of constructive conception of the cluster paradigm development in Ukraine, but also is negatively reflected in at possible qualitative and quantitative growth of economy.

The main problem of the clusters' development in Ukraine is the lack of secured in the legislation conceptual and categorical framework concerning the clusters' activity. The lack of such a concept in the economic legislation complicates possibilities of clear recognition of economic association as a cluster.

The Economic Code of Ukraine in the Article 12 "Association of Enterprises" states definitions of the concept of enterprises association and forms of association, which is enshrined in the law in Ukraine, namely: associations, corporations, consortiums, concerns, other associations of enterprises envisaged by the legislation, which can also be alliances, unions, employers' associations etc. a common feature of all these notions is that they envisage an association of several enterprises, partially their common feature is availability or absence in such associations

of charter, completely distinctive features are the terms of association establishment on a full-time basis or for executing a certain task, possibility of association of enterprises of one or several branches and so on.

Schematically the definitions, which are appropriate for supplementing the national economic, tax and investment legislation, are presented in a figure in the article, where it is possible to see that only in the availability of balanced institutional environment where economic, tax and investment aspects of the clusters' functioning are clearly regulated, this form of joint business will develop with high efficiency. In authorized authorities it is necessary to specify their functional responsibilities concerning the contributing to development of the cluster paradigm in Ukraine; in particular, it concerns regional investment and development centres, regional, local and district public administrations, relevant ministries and so on.

The article proposes the key concepts, which are necessary to be added to the legislation of Ukraine on the clusters' development, determines the conceptual and categorical framework of the clusters' development in Ukraine, which is considered as a system of adding a set of regulatory legal acts of Ukraine on the creation of possibilities of clusters' functioning since the lack of clear regulatory support of the development of clusters is one of the key obstacles on the way of their development in Ukraine.

## ECONOMY AND ENTERPRISE MANAGEMENT

### PRODUCT QUALITY MANAGEMENT METHODS AT THE ENTERPRISE

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The article deals with the problem of definition of quality management methods at an enterprise. The authors identify the most effective methods in chronological order and give a brief description for each of them. The important point is a disclosure of quality control at an enterprise and determination of its purpose. Also, it provides basic classification of methods on quality management at an enterprise. It helps to understand the various aspects to be taken into account in the organization of the quality system at an enterprise.

The study pays attention to the problems that make it impossible to fully, efficiently and quickly implement a system of products quality control to an enterprise. The main problems are the lack of methodological base for the implementation and financial support, as the system requires constant investment. Accordingly, the authors have identified the necessary changes to the system of application in the workplace.

For a visual example, the authors decided to analyze the output quality control in Lutsk. They used an integral figure in the method of expert evaluations to do this. For the study the main indicators that characterize the quality of products at an enterprise were identified. According to the study, there were determined the methods used by enterprises in Lutsk in the implementation of the control system for the quality and disadvantages of each.

Thus, the article examined various techniques of management of the quality of products at an enterprise. The object and purpose of quality management at an enterprise are determined. The study highlighted problems facing enterprises before the organization of the quality management system and proposed options for their elimination. Also, there were evaluated and determined methods of the products quality control at enterprises in Lutsk.

# STRATEGIC MANAGEMENT IN THE ENTERPRISE FINANCIAL AND ECONOMIC SECURITY: METHODICAL STATEMENTS OF PROVIDING

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The stability of functioning, the level of enterprise's economic security and durability are very important. In this context, the research problem of providing enterprise economic security is topical. The situation is complicated by the absence of common views on conceptual and categorical apparatus in the field. Trends in deteriorating socio-economic situation in Ukraine, a result of the many destabilizing factors of both external and internal environments on domestic economic activity entities actualizes the interest of scientists and experts to study the problems of methodical providing for the economic security system (ESS) in the context of strategic management. It is important to explore the process of providing economic security systems in the context of strategic management, to distinguish its main stages, to determine the basic principles for the providing of the economic security system, their specification. The purpose of the article is to define the process of providing economic secu-

urity system in the context of strategic management, to distinguish its main stages, to identify the principles of the economic security system, to determine the level of providing economic security system. It is established that the problem of economic security is current and topical. It is determined the concept of "providing economic security system" by the system approach. The concept can be defined as a purposeful professional or functional activity of economic security that provides a systematic use of technologies, forms, methods and means of the economic security system, involving financial, organizational, informational, analytical, technical, and human resources to counter internal and external threats of economic security. It is identified the following principles of the economic security system in the context of operational and strategic management: efficiency and expediency, consistency and coordination, autonomy and responsibility, planned character and dynamism, legality.

# COMPREHENSIVE EVALUATION OF COMPETITIVENESS OF SAUSAGE PRODUCTS OF MEAT PROCESSING ENTERPRISES

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The article offers a comprehensive evaluation of competitiveness of sausage products of meat processing enterprises on the basis of determination of the integrated index. It is allowed comparing samples-analogs and taking into account the main characteristics of such products. The stages of competitiveness evaluation of products of meat processing enterprises are separately defined.

The analysis of the functioning of Ukrainian meat processing industry in modern conditions notes that its development is influenced by two groups of factors. Group of inside factors is associated with changes in household incomes. Group of outside factors depends on changes in world prices for imported raw materials.

Based on the market analysis of study products, it is revealed that the market of the Kharkiv region's sausage products offers mainly local producers.

The major competitors in the industry are Kharkiv meat packing plant and Saltovsky

meat packing plant. Rarely deliveries are made by other companies; imported products are also present in the regional market.

This paper has considered the competitiveness evaluation on the example of sausage products of Bezlyudivskyy meat packing plant with artificial casing. Cooked sausage "Molochnaya" was compared with similar products produced.

The competitiveness indicator of being evaluated sample (sausage "Molochnaya" of Bezlyudivskyy meat packing plant) has a high value. And it is close to the base sample, but only by 22% is behind it. However, the competitiveness indicator of the evaluated sample is less than the rate of its main competitor (the sausage "Molochnaya", Saltovsky meat packing plant).

As a further step in research, developing directions of increase of the competitiveness of sausage products of Bezlyudivskyy meat packing plant on the basis of the comprehensive estimation and monitoring are determined.

## ACTUAL ISSUES OF MANAGEMENT OF ENTERPRISES OF HIGH-TECH SECTOR OF UKRAINE

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The article is devoted to the research of tendencies of the market of high-tech products, reasons of low productivity and efficiency of Ukrainian high-tech enterprise from the point of view of their management at the micro-level and macro-level. There identified the problems of economic, financial, technological sphere and the educational sphere of Ukraine that influence on the development of high-tech sector. There were considered and formulated the components of the macrosystem that are necessary for efficient functioning of high-tech enterprises.

For a clearer understanding of the formation of high-tech production was used the system approach. Disclosed the approaches of different scientists to the definition of

model of enterprise management. Developed tend of modern high-tech enterprise for growth and providing of added value on base of developed technologies and human capital that enables them to find, maintain and create competitive advantage. Proposed structural components of the management of high-tech enterprises based on the recommendations of authoritative international organizations and well-known scientific schools of management. Proposed a scheme of ensuring of the competitiveness of high-tech enterprises based on the requirements to the management system of enterprise and a complex of special measures to improve the process of management of high-tech enterprises and its result.

## FEATURES OF OPTIMIZATION OF BUSINESS PROCESSES AND METHODS OF THEIR IMPROVEMENT

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The article considers the essence of the process approach defined theoretical principles and features of optimization of business processes, characteristic of methods that improve business processes is given. The main classification categories of business processes are considered. The essence is defined and the advantages of Workflow are singled as a method of describing business processes and technologies of organization of business and corporate information systems. The necessity of implementing the method of Workflow for domestic enterprises in modern conditions is proved, that leads to a streamlining of the company, reducing it to clear procedures, improving the efficiency of economic activity and competitiveness.

The need to find new tools and methods of management of production processes is caused by increased competition. This is showed by international experience, especially the dynamic development of the market for goods and services, constant changes in outer environment of productive intercourse. On this stage the increasing role of the use and implementation of methods for improving business processes is seen. That is why the operation of Ukrainian enterprises is aimed at profit and high production is indicated by the need for a process approach to management that will improve competitiveness and ensure economic growth. Thus, for Ukrainian enterprises, in order to improve

efficiency and achieve the strategic goals, it is necessary to reorganize the management system based on the process approach and pay special attention to the solution of optimization.

Market transformations, that recently took place in the socio-economic system: a high level of competition, the pressure of the crisis factors on all levels of the economy, high unpredictable changes in the environment and the course towards joining the EU, require from the domestic enterprises constant search for new and more effective tools and methods of management aimed at achieving and strengthening competitive advantages on the market and their sustained activity in the long term. Relying on this, the need to reorient the latest and high-tech model of the improvement and development of business processes that take place on the enterprise, is important task. management of business processes of enterprise as a part of the realization of development strategy allows itself to find directions to optimize and achieve flexibility in the enterprise's activity.

To ensure the efficiency of business processes it is necessary to manage them. Utilization of various mechanisms and governance in general should be based on flexible technologies that have the ability to ensure the adaptation of business processes to changing operating conditions. Determina-

tion of the features of optimization of business processes, learning and clustering methods of improvement, as well as disclosure of evidence of the need and process approach to management, defining the essence of business process and its place and role in enterprise management is important. To ensure the success of Ukrainian businesses it is necessary to constantly evolve and change, improve their business processes in the line with market conditions and consumer needs.

The company, which uses the process approach to management of the business environment, significantly increases the efficiency of business. On the basis of the process approach for describing business processes it is necessary to use the method of Workflow. The significance of this method is

that it offers approaches for acceleration of adjustment and reduction of response time on fast changes of business environment. One of the modern methods of describing business processes and technology of business and corporate information systems is the Workflow, the introduction of which at the domestic enterprises in modern conditions will streamline the activities of enterprises, improve their business performance and competitiveness. To maximize the quality of business processes at enterprises of Ukraine it is necessary to use such optimization techniques that will strike a balance between customer satisfaction and competitive market forces on the one hand and efficiency indicators of business processes on the other.

# INTEGRATED LOGISTICS SYSTEM AS A BASIS FOR ENHANCING THE COMPETITIVENESS OF AN ENTERPRISE

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The paper deals with the essence of the enterprise logistics system as one of the fundamental concepts of modern logistics. It is determined that within this system the important processes of planning and development of an aggregate resource potential, organized in the form of logistics flow, starting with obtaining resources from different sources of the external environment, and ending with the realization of products to the end-users, are carried out. The key features of the logistics systems, which include the availability of flow processes and certain system integrity, related to the close economic relations between separate constituent elements, are determined in the paper.

On the basis of the above-mentioned considerations it is concluded that in the context of recent developments in Ukrainian economy our country is in need of further improvement of the existing logistic models, which are now functioning at numerous

enterprises. All this, according to the authors' opinion, will enable a timely and promptly react to the slightest change of priorities in the development of logistics systems, to monitor and update the content of logistics operations, refocus the existing logistic flows to achieve new goals.

In this regard, a model of the functioning of the integrated logistics system of an enterprise is proposed by the authors. This one displays the character of the relationship between its separate structural subdivisions, various flows that arise in the course of the supply of raw materials, production and sales of finished products, as well as the main factors of the dynamic internal and external environment. Finally, it is concluded that further development of this model will create an optimal control system of industrial enterprises in the context of dynamic changes within their external environment.

## COMPETITIVENESS AND COMPETITIVE ADVANTAGES OF JSC “VETROPACK GOSTOMEL GLASS FACTORY”

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Until now, there is no single comprehensive approach to the definition of competitiveness. Therefore, a consideration of basic theoretical issues of competitiveness, competitive advantage and improving the scientific approach to assessing competitiveness in a changing environment require further development.

Using methods based on the theory of effective competition, competitiveness rated JSC “Vetropack Gostomel Glass Factory” and its competitors in the market of glass. This complex technique allows the most extensively analysis of all aspects of business enterprises, such as financial status, production, marketing and product quality.

Using SWOT-analysis highlighted the advantages and disadvantages of the Vet-

ropack Gostomel Glass Factory JSC. To improve the enterprise, in this analysis the hidden opportunities that will improve efficiency are given. Also threats that may affect the activity in the plant are noted.

Applied three methods of assessing the level of intensity of competition in the glass market, among which was an interesting method based on the Herfindahl-Hirschman index. To analyze the competition, representatives of foreign competitors in the Ukrainian market, such as JSC “Consumers-Sklo-Zorya” and PJSC “Bio Med Sklo”, are taken. Having made a calculation, it is concluded that the glass market is not concentrated, i.e. not monopolized.

## CONTEMPORARY APPROACHES TO THE DEVELOPMENT OF THE MANAGER'S PERSONALITY

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The aim of article is the review and separation of contemporary theoretical concepts and development of a generalized model of manager's personality. Contemporary theoretical principles of manager's personality were analyzed. This has allowed us to determine the basic characteristics and mechanisms of the modern development manager's personality. The basic positions of the development of the manager's personality are investigated, namely, the features of manager's personality; need of development of managers; manager's skills that have the greatest demand in today's labour market; methods of training managers; inefficient methods of managers' development; theory of emotional intelligence; determination of the type of manager's personality using the Enneagram.

The main researches as to the manager's personality and their development are highlighted, namely, a model of the manager that includes three blocks of leadership; indicators of leadership that are relevant to the

present; international and national practice of training managers; emotional leadership theory; Enneagram typology.

The general theories and approaches to the development of manager's personality are described. Based on the combination of theories of emotional intelligence and Enneagram personality type, a model of contemporary development of manager's personality is proposed. Herewith this assumes the appearance of the effect of synergy: the interaction of these theories will significantly outweigh the effect of every approach.

The model of contemporary development of the manager's personality enables one to discover manager's strengths and weaknesses, their needs, concerns and opportunities through the determining the type of manager's personality. Developing emotional intelligence the manager has more opportunities to show initiative, find a solution of a difficult situation and solve the problems constructively.

## **MODEL OF CONTRACTUAL RELATIONSHIP AS A COMPONENT OF MARKETING ACTIVITY OF COAL ENTERPRISE**

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Specifics of the contract activity with various categories of consumers of coal products are investigated. Algorithms of large-, average-, and small wholesale customers' service process are offered taking into account their specific features.

Revealed that contract management is the process of realization of coal refers to a continuous process of conclusion and execution of contracts for the supply of coal.

This process should be implemented through management functions: planning, organizing, monitoring, analysis, control.

In the basis of making of the contract for coal products realization, the responsibilities, terms of action, parties, guarantees of rights protection if either party violates obligations are determined.

Proposals to clarify and supplement the content of the contract to supply coal products are developed. To the preparation of contracts for the supply of coal it is advisable to include:

- forecasting of customers' shipment volumes of coal products;

- receiving of orders for coal, making contracts for the supply;

- procedures of approval for terms of deliveries, terms of payment for coal;

- choice of mode of transport, drawing up contracts for transportation services of cargo transportation authority or motor transport enterprise;

- formation of transportation schedules taking into account travel time and time of unloading of cars and motor vehicles;

- application of penalties to consumers in the event of failure to promptly withdraw from order for products delivery.

Implementation of the proposals for improving the contractual work with different groups of consumers of coal products will set cost-effective long-term relationships with consumers of coal mines, reduce risks and losses due to timely response to possible occurrence of force majeure during transportation and sales, reduce spending on the organization of marketing activities by reducing transport downtime.

## FACTOR ANALYSIS OF UKRAINE DAIRY INDUSTRY COMPETITIVE ADVANTAGE

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It is proved that the formation of the strategic competitive advantages is the most important factor in achieving stability of the enterprise's competitive position in market. The aim of the article is to study the set of factors that provide competitive advantages of the dairy industry enterprises of Ukraine, allowing the company to occupy a competitive position over a long period. By analyzing, systematizing and summarizing the research of many scientists, the differences in the approaches to defining the categories of "competitive advantages of the enterprise" are considered, the differences between the definitions of "competitive advantage provision factors" and "sources of competitive advantage formation" are identified. The urgency of the formation of a strategic competitive advantage for enterprises of the dairy industry is proved. It is determined that the consistency of the mission, goals and activities of the enterprise, by awareness of the current situation, achievement of consistency between the internal capabilities of the enterprise and the requirements of the market environment provide the formation of the enterprise competences. Their effective usage allows the enterprise to achieve success and strengthen its competitive position. One of the critical success factors of the dairy businesses, the economic characteristics of the dairy products consumer cost and an important competitive advantage

is the price. Value for money is a systemic feature of enterprise competitiveness as a whole. The products quality improvement for the dairy enterprise is an important factor in ensuring competitive advantage in domestic and foreign markets. Milk products quality is determined by the degree these goods meet the requirements of standards and meet consumer needs in accordance with the purpose of dairy products. It is determined that in order to improve the dairy products quality it is necessary to use high-quality primary raw materials which is the main problem in Ukraine. The main factors constraining the ongoing development of the dairy industry is directly linked to the reduction of the resource base and its low quality, delivered for processing. It is proved that expansion to new dairy markets requires compliance with the requirements of international standards, technical standards and the dairy products production regulations, processes innovation, the development of internal enterprise resources and the effective management of intellectual capital through the formation of the company key competences.

Prospects for further research in this area will be the development of a methodological approach for the enterprise competitiveness estimation, which would take into account the variety of factors and sources of competitive advantages formation of the dairy industry enterprises.

## FORMATION OF A COMPLEX OF WORKING TIME LOSS REDUCTION MEASURES IN A COMPANY

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The level of organization of work is characterized by such indicators as working time in the cost structure, fund of working time. With these criteria it is possible to see the positive and negative aspects of the current work. Thanks to the rational use of working hours, productivity at an enterprise is increasing, so effective distribution of working time is very important for any company.

Working time – set in legislation working hours, during which the staff required to carry out their production or duties.

According to the labour legislation of Ukraine, the normal working hours – 40 hours per week and for some categories of workers (employed in workplaces with harmful working conditions, teachers, doctors) reduced working hours are established in accordance with the Article 51 of the Labour Code of Ukraine.

Special policy of foreign entrepreneurs in terms of working time is called as “humanization of work”. These innovations primarily include: rolling schedule of work, various schedules four- and three-day working week (while maintaining 40 hours) and part-time working week.

One common innovation in modern conditions is flex-time – a possibility of choice by workers on their own time of the start and the end of a working day, reducing the time of

mandatory stay on the job and so on. Despite some difficulty for the preparation (development of numerous graphs, their coordination, adaptation of staff, etc.), this innovation contributes to substantial return: improves the socio-psychological climate, reduces absenteeism due to valid reasons, reduces costs for extracurricular work, increases job satisfaction and productivity. This is testified by the experience of Austria, Switzerland, France, Italy, and the USA. In Germany, this system covers about 1 million workers.

Efficient use of time helps replenish knowledge, provides the necessary diversion of official business, prevents mental overload. The possibility of rational use of staff time is determined by several factors. Among them should be called the level of training of the person and subordinate individuals working style of supervisors, general nature of work, level of consciousness on duty of all the employees and so on. However, the key is to understand the need for staff to analyze spending their time and their desire to plan its use.

The basis of rational use of time is a personal planning work. This includes preliminary study and record of time spent on certain types of work performed in accordance with the functional responsibilities, and subsequent analysis of data records.

## **MODERN ASPECTS OF DEVELOPMENT OF INNOVATIVE TECHNOLOGIES FOR SMALL CONSTRUCTION ENTERPRISES**

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In article was analyzed and summarized the features of the development of innovative technologies at small enterprises; was investigated state and problems of development of innovative technologies at small construction firms. The role of small enterprises in the construction industry in Ukraine was determined. Specific features and factors that influence on the effectiveness of innovation in construction were revealed.

The influence of factors that hampering the development of the construction industry: limited demand for construction, weather conditions; financial support for development (access to credit) was established. Determined that small enterprises in the fight for survival more often risk more inclined to innovation in the competition for markets and actively introduce innovative technologies and development, become participants of process technology commercialization. Another characteristic of small enterprises in the construction industry, their antimonopoly influence on the market formation for construction services and rapid response to changes in demand,

which is accompanied by the introduction of new technologies, was identified. With the specialization and use of modern techniques and technologies such enterprises can turn into a real competitive force.

Entrepreneurial risk of small construction enterprises is much higher than in other sectors of the economy that affect on the value of output prices for construction products and high profit margins. However, construction is different from other industries by a significant period of production and requires large expenditures to manufacture final products.

Studied that building complex in Ukraine has become one of the critical important that related to the needs of lower power consumption and energy efficiency of existing and new buildings. The expediency of development of scientifically based strategies for innovative development of the construction industry in general was proved such as creating appropriate conditions (economic, financial, legal, organizational, personnel, etc.) to enhance the innovation activity of small enterprises, promotion of scientific and industrial cluster structures development.

## INTERNATIONAL BENCHMARKING OF RESOURCE-SAVING STRATEGIES AT INDUSTRIAL ENTERPRISES

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The concept of strategic benchmarking and efficiency of its use at industrial enterprises of Ukraine are provided in the article. There is analysed the world experience of introduction of resource-saving technologies at such international brewing corporations as "Anheuser-Busch InBev" and "Heineken". It is defined that the main resource-saving strategies of these companies are reducing water consumption, decreasing carbon dioxide emissions, recycling and reuse of recoverable resources and introduction of alternative energy sources. Also there are given key reasons because of which the development of resource-saving technologies in Ukraine is inhibited.

Taking into consideration that the production of malt and beer requires a significant investment of resources, primarily energy, advanced foreign breweries are paying a considerable attention to recycling, improving the design of manufacturing equipment and active introduction of alternative energy sources that not only help to cut company's expenses, but are

also environmentally friendly and reduce negative impacts on the environment in the process of company activity.

For Ukraine the use of solar panels is attractive, as the climate of the country allows using the equipment during the greater part of the calendar year, but at the same time, the main obstacle is the high cost of equipment, which hampers the process of its implementation at industrial enterprises.

A lot of attention in Ukraine also requires the issue of recycling and reuse of recoverable resources. It is not only the way to increase the efficiency of use of the resource potential, but it can also help in stabilization and improvement of the ecological situation.

However, in current circumstances, the technologies in our country are outdated, while enterprises tend to make only such use of waste that brings immediate profit. Numerous foreign concepts regarding the introduction of new equipment are not used. For this reason, studies of the world experience of use of recoverable resources are becoming more and more significant.

## ASSESSMENT OF INDICATORS IMPACT ON FINANCIAL RESULT OF ENTERPRISES

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Approaches to the interpretation of the essence of the concept of “financial strategy” are systematized and the main features of the concept of financial stability are highlighted: achieving sustainable financial position (stability), balance of assets and liabilities that will result in investment attractiveness in the long term, as well as solvency and financial independence. Different methods of assessing the financial situation of a company in the present circumstances are studied; for businesses in Ukraine the method of financial ratios is peculiar, including a group of indicators of financial stability, financial status, solvency and liquidity, profitability and business activity. Ratios are the best indicators to assess the financial stability of the company. Constructed a hierarchy of assessing the financial sustainability of an enterprise, where such ratios as autonomy and flexibility of working capital are at the highest level. Hierarchy of assessing the financial viability is 6-level. The main goal in the assessment of financial stability is the ratio of short-term debt. At the next level defined the ratio of own and borrowed funds, autonomy ratio of

sources of inventory and costs. The 3 level includes the ratio of own and borrowed funds, accounts payable, long-term raising debt funds. In front of the last two (2, 1) the most common ratios are specified: leverage ratio and current assets to equity ratio. At the highest level are the following ratios – flexibility of working capital and autonomy, which will provide further perspective on the theoretical and practical studies at different levels of the built hierarchy for the ratio of assessment of financial sustainability by the chosen level. The resulting hierarchy of assessing the financial sustainability of an enterprise describes in full the effectiveness of operational, investment and financial development and ensures the company’s ability to meet its debts and liabilities. The methodical approach to the assessment of financial results is proposed that will systematize a sequence of analysis procedure of formation and use of its financial resources, determine the optimal amount of current assets, identify potential for raising efficiency of operation and develop measures to cover the capital structure of enterprises.

## FEATURES OF PERSONNEL SECURITY ENTERPRISE HOTEL AND RESTAURANT MANAGEMENT

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In an unstable economy and entrepreneurship essential to the operation of various enterprises play concept security. It is necessary to ensure the liquidation of social and economic threats in industrial and commercial enterprises of hotel and restaurant management. The issue of personnel security features of enterprise hotel and restaurant business is not solved completely because we believe appropriate and relevant to research and disclose the matter in detail. The purpose of the article – to define the features of enterprise security personnel in hotel and restaurant management. For the purpose of personnel security features business hotel and restaurant management group should identify criteria for personnel security, identification of threats and risks concerning the safety of personnel and formation personnel security issues concerning hotel and restaurant businesses. For this writing used methods of observation, comparison, analysis and synthesis. Regarding the definition of personnel security of hotel and restaurant company, introduced the following – personnel safety hotel and restaurant enterprise – a

set of measures and means to provide information, regulation, organizational and legal management personnel of hotel and restaurant businesses, aimed at the preservation, strengthening and development of human capacity, issues of organization of hotel and restaurant enterprises and improve its economic development. The study features introduced his own definition of personnel security business hotel and restaurant industry and formed the major group of personnel security criteria and characteristics of personnel security. Thus, to solve problems and risks for personnel security business hotel and restaurant industry consider it appropriate to enter a strong and coherent organizational culture. This can be realized in the event that the entire management staff is not only interested in profit, but also an adequate risk management personnel. So if there are of human risks, this largely means that service management staff can not cope with their work, because it is the subject of personnel security, and any action officers or personnel management leads to increased, or the weakening of security that will be the basis of our further research.

## **INNOVATIONS COMMERCIALIZATION IN UKRAINE: PRECONDITIONS AND DOMESTIC REALITIES**

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The level of innovation development of Ukraine in the context of global trends and background that determine the direction of commercialization process realization are investigated in the article. The issue of effective innovations transfer from the field of science to business remains topical.

Ukraine should be identified as a country with a low level of innovativeness, but with significant potential, which should be realized in the near future in order to ensure competitive positions in the world markets. It accordingly affects the process of innovation commercialization, which requires appropriate financial support and high-quality regulatory support.

Internal components of innovative development of Ukraine as well as their impact on the innovations commercialization are analyzed: the state of country's economic development (dynamics of gross domestic product in Ukraine) and the number of organizations that perform scientific research and development.

The list of major problems on the way of effective implementation of innovation commercialization process by the business entities is determined. Among the key barriers to developing an effective process of innovation commercialization by enterprises in Ukraine should be noted: imperfect legislation for protection of the intellectual property (patent and proprietary rights, full and partial transfer of ownership of innovation development), underdeveloped infrastructure (lack of effectively functioning industrial parks, exchanges, innovation incubators, science parks), low quality of information support of process, innovation and unfavourable investment climate in the country and significant risks; lack of financial support of the process; inefficient public-private partnership; low innovation activity of enterprises and low motivation of relevant developments implementation; outdated material and technical base of enterprises.

## THE URGENCY OF PROJECT APPROACH IN BUSINESS MANAGEMENT

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The aim of this paper is to outline the relevance of the project approach in business management and define the processes and features of project management. The basic task of the study is the generalization of approaches to the definition of the main concepts of project management.

Also it is important to outline the international standards in project management and explain the features of their application. Inasmuch as the processes of initiation, planning, execution and completion of the projects are complex and risky types of activity. The using of methods in project management simplifies and specifies the activity of the business managers, improves the product quality, enhances the control of managers for completeness and quality of execution of the planned tasks and allows timely to react on deviations from the targets and reduce the level of the business risks.

In order to identify the main benefits of the project approach, it is necessary to note the main features of the project. These include the changing of the status project to achieve the goal, time limitations, limitations in resources, originality or uniqueness. The

subject of the project approach is the use of methods, instruments, criteria for comparison and study of the alternative management decisions regarding the implementation of business ideas under conditions of the limited available resources. Project management is a kind of the management team and project resources, which can be organized and structured by means of the specific methods, thanks to which the project is completed in a specified period and the goal is successfully reaching.

The development of the applied principles of the project approach in the business management can be achieved by means of the active practical participation of the heads of enterprises and organizations in the clubs or association of the project management, teaching of the project management in the higher educational institutions, attending business training.

Such a study is aimed at developing the leadership skills of the project managers, their ability to form a successful project team, to plan the parameters of the project, in a right way considering all restrictions (resources, duration, etc.) and risks.

## INFORMATION AS A RESOURCE OF MANAGEMENT OF SOCIO-ECONOMIC SYSTEMS

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A pressing issue that needs constant attention is managing the development of storage and processing of grain. Today it is necessary to find new innovative approaches to business management storage and processing of grain and systems that facilitate its development. This approach is the introduction of the concept of innovation and information technology (common information field) that can be used to transform the regional information and transport infrastructure of grain-processing complex.

Determined that the use of information technologies for the management of the organization increases its competitiveness through the rapid adaptation to changes in market conditions and makes it possible to increase the effectiveness of management of the organization by providing managers and professionals with the most complete, prompt and reliable information based on a single data bank; accelerate workflow by optimizing and standardizing, automating the most challenging procedures; improve security and data integrity at all stages of information processing etc.

In connection with the application of new information technologies based on the use

of communications and computers, it is proposed to use the concept of "information system". A critical review of the scientific literature, which raised problems of management, shows that today very full clarification of what constitutes management is associated with two tasks: first, the definition of a complete set of essential features that distinguish management processes from other processes; second, the specification of these very attributes. Setting the first task is caused by the fact that there are no general definitions of governance in categorical terms. Comparison of common definitions of the concept, which is analyzed, led to the conclusion that today the fundamental characteristics of the management processes are considered the following: control actions must be targeted, have informational nature and are implemented according to the scheme of feedback.

It is emphasized that enterprises in the market conditions considered information as a valuable resource. In order to obtain information necessary to manage production and business activities, the company creates management information system.

# STATE SUPPORT OF THE TECHNICAL AND TECHNOLOGICAL UPDATING OF THE ENTITIES OF A RAIL TRANSPORT

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In the article, the main problems of low level of technical and technological updating of the entities of a rail transport are researched, the main sources of financing of process of updating, necessary amounts of investment are determined.

The problem of investment ensuring technical and technological updating of the entities of a rail transport is the main insufficiency of own sources for updating of fixed assets, lack of the state support of innovative development of a railway industry, low level of investment appeal regarding investment attraction that causes a limiting physical deterioration and discrepancy of hardware of the railroads to modern requirements.

With a rail transport treat the main sources of investment financing: own means of the railroads and structural divisions (profit, the depreciation charges) of means of the state and local budgets, which can be provided on a returnable and irretrievable basis, and also in the form of the tax credit, grants, subsidies or compensation of a share of a bank interest on granted loans; means of off-budget funds; credits of banks and other financial

institutions; bonded loans; means of foreign investors; leasing.

The main directions of strengthening of the state support of technical and technological updating of the entities are opened. The state support shall be shown in forming of favourable conditions for attracting investors, creations of the favourable investment climate, enhancement of investment policy of the country, development of actions for decrease in interest rates of the raised funds, development of public-private partnership.

As the tool capable to provide coordination of financial interests of the state and the entities of a rail transport we suggest to apply regression taxation of profit.

Application of the regression taxation of profit is a factor of stimulation of the process of technology and innovative development of the entity as it will promote decrease in a rate of inheritance in case of an annual profit increase of the entity. Decrease in a rate of the taxation is performed continuously and gives the chance to the entity to direct additional investments for implementation of technical and technological updating of the entities of a rail transport.

## THE THEORETICAL BASIS OF THE ENTERPRISE RESOURCE SUPPORT

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The article stipulates that the crisis and rapidly changing conditions of the environment to enterprises form the new challenges and tasks. This applies to both the efficiency of the production process and the functioning of the whole enterprise. Competitiveness on the market depends on the resource support of its activities and the existing management system. Updating the software problems of enterprise resource defined and limited resources of expensive.

The article is to study the nature and structure of the enterprise resource provision and its impact on the achievement of financial performance targets.

The paper used the methods of scientific research, clustering and synthesis, systems analysis, synthesis and comparison. Theoretical and methodological basis of scientific research work consists of domestic and foreign scientists on resource support of the company.

Proved that the provision of planned financial results achieved through the availability of the resource support its activities.

Found that enterprises should fully utilize their resources and mobilize progressive resources that ultimately will ensure the effect of economic, environmental, innovative. Overview types of resources that form a system of resource supply company. Systematized principles of resource support of the company. Determined that in order to create an effective system of resource support at the enterprise within the overall management system should be established effective resource management subsystem software enterprise, which ultimately will ensure the effectiveness of economic entity.

The results of the study determined that the resources for the enterprise is a set (combination) of resources necessary for the enterprise to the economic activities of the employment (formation) administrative mechanism that will ensure efficient use of resources and meet social and personal needs. Since the problem of resource support is controversial and inexhaustible, is urgent further research this issue.

## EVALUATION METHODS, INDICATORS AND GUIDELINES OF COMPETITIVENESS OF THE ENTERPRISES

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Today a successful operation of any enterprise requires the evaluation of its competitiveness as it is the competitiveness that determines the quality and efficiency of its activities in terms of activation of the globalization processes and sharpening of a competitive struggle. Constant transformations of economic space, changeability of market demands need further development and improvement of methodological approaches to the evaluation of competitiveness of an enterprise, which take into account levels of customer centricity, value, competence and innovativeness of an enterprise.

Theoretical and methodological foundations of various problems of management, provision, increasing competitiveness of enterprises are reflected in the works of many scientists: I. Ansoff, O. V. Arefieva, O.V. Vynohradova, O.Ye. Hudz, P. Drucker, T. Kono, K. Oppenlaender, A.A. Peresada, M. Porter, P.A. Stetsiuk, A. Thompson, R.A. Fatkhutdinov, L.I. Fedulova, Y. Shumpeter and others.

The assessment of competitiveness of an enterprise is a complex multifactorial task, which is down to the interpretation and evaluation of a complex of indicators, which characterize various sides of activities of an enterprise, form its competitiveness.

Multilevel nature of enterprise competitive interaction also causes a wide range of approaches to the evaluation of enterprises competitiveness. At the present moment, there are no generally accepted methodological approaches to the evaluation of the enterprises' competitiveness, and foreign experience, which can be found in scientific literature, is not adapted for national enterprises. Proposed approaches take notice that the competitiveness – is a dynamic process, which has a cyclic character and is realized taking into account principles, the basic among which are: complexity, systemacy, optimality, relativity, dynamism, informational reliability and adequacy to challenges and threats of external environment. They outline a range of interrelated stages: diagnostics of market conditions; formation of a set of guidelines, indicators and indices of competitiveness that take into consideration stages of customer centricity, value, competence and innovativeness of an enterprise; determination of the level of competitiveness, substantiation of conclusions and development of propositions concerning the increase of competitiveness and augmenting of competitive advantages.

## PRINCIPLES OF STATE INNOVATIVE POLICY

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Market economy requires creating competitive advantages both at the state level and at the level of individual enterprises. Thus an activation of innovative-investment policy, research of funding mechanisms, planning and management of innovation processes, including at the state level, are an important current task.

Questions of research of innovation policy principles are studied by many scientists. They are S.M. Illiashenko, V.M. Heiets, Y.S. Shypulina, T.H. Dudar, Krasnokutska, Y.B. Ivanov, A.M. Turylo, A.I. Krysovatyi, T.F. Kutsenko, O.O. Lapko, I.Y. Malyi, I. Melota, L.I. Neikov, A.E. Nikiforov, I.A. Pavlenko, V.V. Pylypiv, A.M. Poruchnyk, I.F. Radionova, V.S. Savchuk, T.O. Skrypko and others. They determined that the enterprise innovation policy must be focused on ensuring its competitiveness and in this process it is the state regulation, to which a responsible mission is assigned.

Scientific and technical potential return is completely depending from the share of gross domestic product, which is aimed at scientific research (research intensity of GDP). The increase in this share can not only improve the scientific and technical potential, but also enhance the value of research. World experience says that when this indicator is less than 0.4% of GDP, sci-

ence can only perform social and cultural function. Only by increasing the share of expenditure on science by more than 0.9% of GDP, the science begins to affect the efficiency of technological capabilities.

Ukrainian economy shows low rates of innovation and is at early stage of the innovative economy development. Therefore, the use of positive experience of other countries and creation on this ground of own system of regulation of innovation development acquires particular relevance.

The Law of Ukraine "On Scientific and Scientific-Technical Activity" stipulates that expenditures on research and development should be at least 1.7% of GDP. But statistics show that the total cost of research and scientific and technical activities (from all sources) in Ukraine over the last 15 years was much lower and do not exceed 1.3% of GDP.

Chosen by Ukraine a way of integration to the EU requires the convergence and integration of the national economic systems to the systems of the EU countries. This puts Ukraine with a question of introduction of that development model, which was adopted by the EU as the base, i.e. innovation development models.

For generating competitive advantages at the level of state and at the level of individ-

ual enterprises, increasing the impact of scientific and technological potential, effective implementation of priority development it is necessary to address the deficiencies in the system of financing of scientific and technological development, including funding of state scientific and technical programs. From the experience of foreign developed countries such major sources of combined funding for major public research programs are known that could be used in our country

through the improvement of relevant legislation, namely:

- attracting foreign investors (50% of total funding);
- concession forms of cooperation with foreign companies;
- using small businesses for individual developments and innovation activity;
- to use non-governmental enterprises, including private, more extensively as a source of extrabudgetary funding.

## EVALUATION OF FINANCIAL STATUS OF ENGINEERING ENTERPRISES

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The essence of analysis of financial status of engineering enterprises is considered in the article. The analysis of the state and development of different industries shows that the crisis state is associated with a decrease in production, loss of competitive position in the domestic and foreign markets. The effectiveness and level of engineering enterprises' development is one of the most significant indicators of economic and industrial development. Recently, machine building enterprises' operation is carried out under the conditions of dynamic changes in the environment influenced by the strengthening of globalization processes in economy, political factors and the effects of financial crises. Financial condition is characterized by a set of indicators that allow identifying and evaluating different aspects of an enterprise. Financial diagnostics is based on conducting the analysis of financial condition. Financial diagnostics is a process of research of financial condition and main results of financial activity of an enterprise in order to identify reserves of increasing its market value and ensuring effective development. The basic problems in the development of engineering industry are analyzed.

There are several systemic problems in the development of engineering, including low efficiency, lack of experience of competitive market behaviour, lack of new technologies and complexity with access to the markets of high quality products. Given the current problems of the industry, it is possible to identify ways to stimulate development of engineering by increasing product competitiveness, search for new effective strategies of enterprises' international expansion, because the domestic market is not enough for achieving better financial performance. Today, enterprises pay great attention to the introduction of new technologies, modernization of production, which is the key to successful operation and improvement of the engineering industry. The necessity of rating of engineering enterprises is substantiated. To determine the prospects for the development of machine building enterprises it is proposed to apply a rating that will enable to classify analyzed enterprises by classes, form main lines of development of engineering enterprises. According to the results of the rating, the main directions of development of engineering enterprises are proposed.

# MANAGEMENT OF ENTERPRISE'S FINANCIAL STATUS UNDER THE CRISIS

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The article is devoted to the issues of analyzing the possibility of eliminating insolvency and recovery of financial stability as well as the development of measures that are necessary to get the financial balance within the long term.

The author stresses the fact that the problem of choosing the method of diagnosing the risk of bankruptcy at an enterprise, which takes the peculiarities of Ukrainian economy into account, remains unsolved.

The article defines the objectives and principles to be the based ones for the system of anti-crisis financial management of the enterprise, as well as emphasizes the basic components that are essential to the financial condition in order to determine its anti-crisis financial strategy.

The author highlights the importance of studying the key financial indicators for particular terms and the determination of the financial development patterns, the formation of financial statistics, the importance of in-depth study of external and internal environment in the perspective of the threats and opportunities of the enterprise with the help of SWOT-analysis, as well as other types of diagnostics of the financial status such as rating methodologies, scoring systems, factor models, integrated assessment of the disaster's threat while using Altman model.

The author distinguishes the grading of enterprise's crisis conditions, rates the

directions of financial stabilization mechanisms of the enterprise, which are equal to the scale of the crisis of enterprise's financial condition and the internal financial capabilities.

The article defines the term "rehabilitation" as a set of measures aimed at improving the economic and financial condition of the enterprise and implemented with the help of businesses and individuals in order to prevent its bankruptcy and increase its competitiveness in the market of goods and services.

The author provides recommendations on the measures to restore the enterprise's financial stability, as well as one within the medium term, and ensure its financial stability in the long term due to the potential increase in cash flow, which creates the optimal conditions for the economic self-financing of the enterprise's growth and for the reduction of its credit resource.

While determining the specific ways of the enterprise's recovery of its financial management, the emphasis should be put on such criteria as the industrial specificity, the cost of the methods suggested, and the lifecycle stage. Also it is necessary to take into consideration the impact of region's specific features as well as the peculiarities of the local legislation and the possibility of receiving the extra budgetary funding from the regional authorities.

## DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

### ECOLOGICAL SECURITY IN ESTABLISHMENTS OF REASTAURANT INDUSTRY

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In a time of economic decline and depletion of the world's land resources becoming increasingly important the development of environmentally sound and resource-saving technologies and principles of life. In connection with the integration to European Union, Ukraine started to pay more attention to ecological component of our existence, which was reflected in the activities of hotel and restaurant businesses. The leading generalizing factor of advanced experience in field of ecological responsibility became the work in tourism industry, getting prestige and increased demand of enterprises, which induce to comply with the strict standards of environmental education foundation.

Nowadays Ukraine has joined to 20 countries in which works the program on International organization of ecological education "Green Key", as evidenced by the fact that more than 15 hotel and restaurant complex received a certificate and a prize of "Green Key" for the implementation of the basic principles of energy saving technologies and environmentally conscious education of the personnel.

Ecological safety (ecosafety) is a socio-natural and scientific reality, the object of study of various sciences, including natural, social, legal. It covers a complex set of relationships between human and the environment. The basis of ecological safety in establishments of restaurant business is a clearly defined ecological policy, in which described the general objectives and the level of ambition for ecological indicators setting to protect the environment and environmental training, informing and raising awareness.

In order for control system was sustainable and long-term fit for its size and scale, the ecological policy of the company includes ecological problems, and also includes links to social issues, cultural, economic, quality, health and safety.

Ecological policy is more ambitious and reflects not only compliance with legislative and normative acts. It is primarily designed for a particular company, in cooperation with the staff and is composed in a way that includes and is formed by contributions from management and also from staff.

## METHODOLOGICAL BASIS OF SOCIAL AND ECONOMIC DEVELOPMENT OF SMALL TOWNS

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The article examines the processes of social development. Considerable attention is paid to the social and economic transformations in small towns. It substantiates the importance of small towns in the development of regional infrastructure. The normative and legislative bases, which promote the development of small towns, are considered. Identified gaps in the regulation of developmental processes.

The article analyzes the socio-economic condition of small towns. It describes the key problems of modern cities of Ukraine: the low level of industrial development, high unemployment, low level of output of innovative products, increase in migration, lack of relationship between government and business in the implementation of programs of development of small towns.

Given the situation of small cities of Ukraine it is proposed to review the strategic development plans at the level of regional

and local authorities. The main feature of the new approach is the use of methods for determining the uniqueness of the territories, the establishment of action teams to support infrastructure development.

The implementation of new approaches in regional management system should be subject to the sequential steps: definition of the mission and objectives, development of strategic plans, taking into account features of the city, carrying out a retrospective analysis of the development, assessment of own resources and prospects, ranking the problems in order of priority, definition of a set of measures to develop criteria for evaluating the effectiveness of strategic management of development of small towns, risk assessment, information and analytical support.

Recommended theoretical and methodological approaches may contribute to the improvement of management processes of strategic development of small towns.

## **ATTRACTING FOREIGN DIRECT INVESTMENT IN ECONOMY OF KHARKIV REGION**

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One of the forms of international relations is foreign investment. The shortage of domestic investment resources, foreign investment is an important resource for simple and expanded reproduction at the level not only of individual businesses, but also at the macro level.

Foreign investment is the all kinds of values directly invested by foreign investors in objects of investment activity according to the current legislation of Ukraine. Foreign direct investment is an investment in venture capital abroad, providing long-term economic interest acquisition by the investor control over the object of capital investment and involves obtaining business profits (income) and / or achieving social, innovation, environmental and other effects.

Factors of investment attractiveness of Eastern Europe are the quality of human capital at a relatively low cost of labour, the tradition of industrial production, the availability of an extensive industrial and transport infrastructure, the lack of competition for multinationals, high overall level of depreciation of fixed assets, which provides a high return on investment.

Attracting foreign direct investment has positive and negative aspects of the impact on the economy of every country to be considered in the development of state and regional investment policy.

Kharkiv region is one of the most investment attractive regions of Ukraine according to national rankings. This is confirmed by statistics. Thus, the amount entered in the beginning of the investment of foreign direct investment (equity) in the regional economy on 31 December 2015 was 1,569,500,000 dollars USA (3.6% of total FDI in Ukraine). The Kharkiv region ranks the 5th place after Kyiv, Dnipropetrovsk, Donetsk, Kiev regions in terms of foreign direct investment.

The Kharkiv region is attractive for investments regions of Ukraine, as indicated by significant amounts of foreign direct investment. However, foreign investments are distributed very unevenly both in territories, and across the economy. To revitalize the process of foreign investment it is necessary to take a number of measures both at the national and regional level. Developed regional development strategies must be scientifically grounded, real and their implementation should be monitored. This is one of the prerequisites for attracting and efficient use of foreign direct investment with the least possible negative impact on the economy of the state. It is appropriate to conduct further studies towards the development of ways to minimize the negative aspects of foreign direct investment.

## FOOD SAFETY

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Today the question particularly relevant issue and food safety, among which is one of the major food production that would meet the requirements of safety and quality.

This article was assessed the situation of food safety and food raw material drawn systematization security issues and factors falsification. The problems of formation of a national system of technical regulation in the field of food safety. The basic directions of state policy harmonization to ensure product quality and safety to international standards. In the Codex Alimentarius Commission in the world there are other international organizations that are designed to develop and coordinate international and national standards such as the International Organization for Standardization (ISO) as non-governmental organizations, UN Economic Commission for Europe, European Committee for Standardization (CEN).

A warning system that ensures the quality and safety of food products. Given the

availability of cheap food raw food systems implementation and imperfect legal framework Ukraine, we can conclude about the potential threat of negative impact of the use of counterfeit foods on our health in general. As a result of this work formed the following conclusions: a modern warning system that provides quality and food safety system is based on the principles of HACCP. Until now, the fight against negative consequences was the end of production, and with the introduction of this makes it possible to detect a threat in the early stages, respectively, allows to stop production and supply store shelves dangerous to human health products. The manufacturer can sell their goods only on condition of compliance with international standards. We can recommend eating foods such enterprises credible and specific documents confirming the quality and buy products according season, pay attention to quality standards.

## EFFICIENCY OF REGIONAL INNOVATION SYSTEMS

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Modern regional policy is focused on the use of human potential, skills and capacities for innovation, as well as the search for reserves of economic growth. One of the priorities of increasing regional competitiveness is innovation.

Regional innovation systems enable making use of the advantages of each region; they usually are adapted to the specifics of the correspondent territory. This makes possible the fact that different types of regional innovation systems can simultaneously act within one country.

By regional innovation system, we mean an organizational and institutional complex forming part of the structure of a regional economic system, as well as a system of managing its intellectual potential, which determines the ability to transition to the innovative type of development. The article aims at evaluating the effectiveness of regional innovation systems. The latter manifests itself in the evaluation of innovative regional development and gives a complete picture of the extent and effectiveness of the innovation infrastructure, of how successfully its innovative potential is implemented, and of its interactions with the outer environment. To assess the development of innovation in Ukraine, we used the taxonomic method.

The analysis results show that only Kharkiv region in 2014 had an adequate level of innovation development, and Dnipropetrovsk region was at the medium level. All

other regions of Ukraine fell into a group with low-level development (Zaporizhzhia, Lviv, Odesa, Sumy) or critical level (Vinnytsia, Volyn, Donetsk, Zhytomyr, Ivano-Frankivsk, Kyiv, Kirovohrad, Luhansk, Mykolaiv, Poltava, Rivne, Ternopil, Kherson, Khmelnytskyi, Cherkasy, Chernivtsi, Chernihiv regions). In 2015, some negative changes took place due to the fact that the position of certain regions worsened: Kharkiv region moved to the medium group, while Odesa and Sumy regions fell down into the group of critical level of innovation.

The obtained results indicate independent functioning of regional innovation systems in most regions. Innovation systems do not perform their functions; therefore this does not allow to make use of the advantages of each region in its innovative activities or to raise the level of confidence of investors in the innovation sphere.

Under these conditions, it is getting important to monitor key indicators of innovation activity, as the lack of innovative ratings of regions makes impossible to compare the results of innovative development, reduces the possibility of regulation by the authorities, and is not conducive to adequate definition of priorities and forecasting future results of innovative development. It is also expedient that Ukrainian regions should adapt the experience of foreign countries in building regional innovation systems.

# ASSESSMENT OF INSTITUTIONAL FACTORS IN THE DEVELOPMENT OF REGIONAL ECONOMY

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This article examines the impact of institutional factors of development of regional economy. Purpose: Identify the role of institutional factors in the development of regional economy. Methodology: We used scientific methods: analysis and synthesis, comparison, generalization, systematic approach. Results: Allocated functions are realized under the influence of institutional factors. The author's approach characterizes contribution of institutional factors in the development of regional economy. Most significant effects of a development of institutional factors in the region are for business, households, government bodies and local authorities.

The article investigates theoretical and methodological principles of assessment of institutional factors of economic development of the region. The role of institutional factors in regional development in Ukraine is revealed. Specified the composition and characteristics of the content added by insti-

tutional factors of economic development of the region, set new criteria of the typology. The methodical approach to assessing institutional factors of regional development is developed and the algorithm to assess their condition and action proposed.

Scientific novelty of the research results consists in solving an important scientific problem of substantiation of theoretical provisions to enhance the role of institutional factors in the development of the regional economy, development of guidelines and practical measures for improving the management processes of their activation and use.

The theoretical significance of the research lies in the development of conceptual provisions clarifying the role of institutional factors in the economic development of the region and directions of improving the management of their use, in addition to a number of sections of the modern theory of regional economy.

## DEMOGRAPHY, LABOR ECONOMY, SOCIAL ECONOMY AND POLITICS

### REALITIES OF PRESENT-DAY WAGE

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In the article, the current state of wages in Ukraine is studied. The analysis of modern theoretical base of its definition is made. Its level is compared to the level of world standards. The dynamics of real and nominal wages in Ukraine is analyzed. The necessary ways to reform it are suggested. A relatively low wage level is pointed out, which does not encourage workers to increase productivity and competitiveness of production. In current conditions the question arises whether the wages are real incentive, which defines its primary function – to stimulate labour.

The question of dimensioning, especially getting wage in Ukraine is one of the most critical. And workers are often surprised by its low level paid by managers for their work. This is one of the main problems of low performance fees, noncompetitiveness of product made by national producers, low level of economic development. The question arises what actually means the term

wage in Ukraine and whether it reflects the reality for workers. As repeatedly observed in research, the main purpose of wage is to perform its main function – to stimulate effective work.

The modern economy has marketing character, and its main component is the effect of the basic economic law of supply and demand. As we know, the demand depends on the price and quality and supply depends on the level of production.

It is necessary to produce the quality products at reasonable prices for providing the stable income.

As we know, the labour costs are the part of the total cost of production. If only to increase wage, it will lead to expensive products, and if not to increase the price, the product quality will reduced. Thus there is a close link between economic categories such as the wage and the costs of production.

## **DEVELOPMENT OF THE SYSTEM OF PERSONNEL MOTIVATION OF INSURANCE COMPANIES**

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Features of the sale of insurance products, individual characteristics of each employee, diversity of purposes of the insurance company, constant changes in the economic environment make motivation of sellers of insurance rather complex and important task. Top managers of insurance companies agree that the motivation of staff, who sells insurance, plays an important role in their implementation. So for successful, profitable, efficient conduct of insurance business, it is necessary to develop an effective system of motivation.

Highly motivated personnel that works for the goals and brings a business result – is the dream of every employer. However, workers want to feel the value of their work, and to see recognition of their achievements. A consensus between managers and subordinates can be achieved only if the company introduces a system of motivation not only based on their capabilities, but also taking into account the real needs of their employees.

In Western Europe, studies show that 69% of companies that are participated in the survey use material rewards as the main tool of motivation. Survey results also indicate the fact that only 15% of respondents expect from sales of insurance services from employer the material rewards.

HR theory suggests that there are two basic types of motivation: material and immaterial. Each insurance company must it consider, because the role of non-financial incentives and other items should not be underestimated in the fight for highly effective sales and insurance services. The proposed system of motivation of employees insurance companies, which combines these two types, and can therefore simultaneously be used for newly established insurance companies that are not able to give the material motivation and, for leaders in the insurance industry, which by combining these two types of motivation can achieve the best guarantees of a success and healthy climate in the team.

## MONEY, FINANCES AND CREDIT

### **CROWDFUNDING: THE MODERN WORLD TRENDS AND PERSPECTIVES OF SPREADING IN UKRAINE**

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The article is devoted to the actual problem of finding alternatives to finance needs of economic agents. The authors emphasize the importance of crowdfunding functions. A special attention is paid to how sponsors can take part in the financing of, and what motivates them. This paper outlines the features of crowdfunding.

The article deals with the Ukrainian experience of the functioning of crowdfunding platforms. Special attention is drawn to the fact that it is not developed, among other things because of the legislative problems. The features of the activities of such Ukrainian platforms as Ukrainian Philanthropic Marketplace, Spilnocosht, Na-Starte are considered. The basic indicators of crowdfunding platforms in Ukraine and abroad, particu-

larly in France, are revealed. The role of the world-known platforms as Kickstarter and Indiegogo is emphasized; its tasks and characteristics are studied. The main spheres of activities of the French crowdfunding platforms Babeldoor, Bulb in Town, Dartagnans, Culture Time are described in the article. The key indicators of the French crowdfunding market are not left without attention.

A special attention is paid to the advantages and disadvantages of using this innovative financial instrument.

As a result, it is concluded the fact that the crowdfunding can have many positive effects and be used as an effective instrument in market conditions. The necessity of taking into account the international experience is underlined.

## **PROBLEM LOANS AND THEIR IMPACT ON THE SOLVENCY OF BANKS IN UKRAINE**

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In this article the analysis of key performance indicators of banks in the lending market is conducted. It is found that banking system suffers from significant amounts of bad debt. Objectively, there is a need of restructuring of banks and the banking system, improving the quality of state regulation of banking activities, and increasing the confidence of potential customers to the banking institutions.

The purpose of the article is the specification of essence of the category of "problem loans", definition of sources of formation and analysis of the causes of problem loans, identification of the consequences of their influence on liquidity and solvency of banks.

Analyzed approaches to the understanding of the essence of the concept of "problem loans". The main signs of a troubled loan: repayment of the principal debt and interest overdue for 90 days or more, deterioration in the financial condition of the borrower, significant reduction in quality or loss of collateral for the loan and other reasons that pose a potential threat of partial or total

loss of bank assets, which in the future could result in losses, capital losses and solvency of the bank.

Found that troubled debt can occur for different reasons. Among these reasons, conventionally, there are several groups: external (macroeconomic), internal (bank and borrower), internal system (bank).

The analysis shows that the rapid increase in the share of bad debts in loan portfolio of banks to 22.1% in 2015 is over the high economic and political instability, including devaluation of the national currency, which significantly affected the solvency of borrowers of the bank.

Based on the study, proposed ways of overcoming the problem of the debt of domestic banks: the formation of a unified database of credit histories, spread of the practice of buying troubled loans, formation of sufficient amounts of provision for debts, selection and implementation of models for the restructuring of problematic assets, simplification of the mechanisms of write-off of assets, strengthening the supervision of banks.

## FEATURES OF DEVELOPMENT OF RISK INSURANCE OF FINANCIAL LEASING IN AGRICULTURE

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The article studies the characteristics of insurance of risks of financial leasing in agriculture. In the article, the authors pay attention to the most salient risk: property risks; financial risks; political or legal risks. It is established that agricultural producers are characterized by climatic and environmental risks. There are two risk groups for insurers: property and financial. The property risks are associated with loss, shortage or damage to property, and financial are the risks associated with the financial side of the relationship between the main subjects, that means a protection of a lessee from insolvency risk.

The need for insurance of agricultural enterprises against leasing risks is caused by the fact that insurance protects participants of leasing operations against losses, including natural-climatic risks.

The feature of implementation of leasing risk insurance is set in the distribution of insurance products that protect the interests of lessor and lessee.

The separation of insurance products for a lessor is attractive because of the need to protect the subject of the lease, which is in its property and financial risks and lessee

primarily interested in protecting its own industrial activity.

However, a possibility of using insurance against the risks can affect the possibility of income generation to lessee. It is found that for strengthening the role of insurance, there are several options: firstly, mandatory insurance unnecessary in terms of market transformation; secondly, the growth of insurance on a voluntary basis.

There are some reasons that hinder agriculture development.

There are series of measures aimed at: improving the legal and regulatory framework; forming the insurance standards that take into account the specificity of agriculture; improving the information system; expanding the range of insurance services; professional development of employees; improving the agricultural risks' reinsurance protection. These measures will allow carrying out a reliable insurance protection of agricultural enterprises, which are directly influenced by agricultural lessee's solvency. At first, this concerns to leasing companies providing financial leasing in this area.

## PROSPECTS FOR THE INTRODUCTION OF COMPULSORY HEALTH INSURANCE IN UKRAINE

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The paper outlines the need for the introduction of a compulsory health social insurance. The basic problems to be solved for its implementation are analyzed. The basic laws on the subject are considered and conclusions about their strengths and weaknesses are made.

Medical industry in Ukraine today is not able to take advantage of a market economy. Health insurance is under development. The state budget, which is being funded by medicine, is unable to cover even half of its needs. The health insurance today is a clear explanation for many people; in other words, insurance is an assurance in the event of an insured event of compensation costs of financial aid at the expense of early accumulation of capital. This is due to the need to provide citizens with affordable, quality and various medical services. It can be an additional source of funding for health care. But today health insurance should be allowed to raise additional funds through various sources of medical care by providing

medical services and guarantees of various possibilities of their receiving in full for the entire population.

Mandatory state social health insurance – is a part of a system of compulsory social insurance, provides all citizens with an equal opportunity to receive medical care based on social equity and accessibility, regardless of age, gender, and health.

Before the introduction of compulsory health insurance, it is necessary to take appropriate legislative changes, restructure the state and municipal health care institutions, determine the list of free medical services provided by the state, and those which are a subject to insurance coverage, develop a system of incentives. Mandatory health insurance will provide additional inflow of funds into the sector, which will enable the health system to be mobile, dynamic and extremely functional. Services to be provided to the population will be more quality and conforming to international standards.

## **BUDGET TRANSPARENCY AND PUBLIC PARTICIPATION IN THE BUDGET PROCESS**

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Transformations in Ukraine concerning the democratization of public finances cause the necessity of studying problems and prospects of budget transparency and participation of public in the budget process.

The object of the research is the budget process in terms of democratic transformations.

The subject of the research is theoretical and applied foundations of providing budget transparency.

An analysis of recent researches of native and foreign scientists in the field of organization of budget process in terms of democracy causes the necessity of further researches of providing transparency of budget and participation of public in the budget process for the purpose of the state sustainable development.

Providing the transparency of budget process in Ukraine and participation of public in its organization are regulated by the Budget Code of Ukraine, the Law of Ukraine "On Openness of Use of Public Funds", the Action Program of the Cabinet of Ministers of Ukraine and the Strategy of Sustainable Development "Ukraine – 2020". Work of informational and analytical system "Transparent Budget" requires operation of the Generalized system for processing and routing requests with the participation of the State Treasury Service, Ministry of Finance

of Ukraine, State Fiscal Service, other organizations in order to provide openness and transparency of information on budget for the society.

Conducting the analysis demonstrates the decrease of the Budget Transparency Index, which is calculated on a 100-point scale according to the investigations of the International Budget Partnership. In 2015, the Index of Budget Transparency in Ukraine was 46 points, which means providing limited information on the budget to society.

For the purpose of increasing transparency of the budget in Ukraine, the problems of attracting citizens to the budget process are also important. A democratic tool of providing the budget transparency at the local level through the participation of citizens in the local government is a participatory budget, which provides each citizen with a right to make decisions in the form of direct democracy. In Ukraine, such a type of budget is used in about 15 cities.

The study of the budget transparency testifies an insufficient provision of opportunities for society for the participation in the budget process, which determines the necessity to solve existing problems by means of ensuring a completeness of budgetary information and extension of a practice of public participation in the budget process.

## INVESTMENT PORTFOLIO OF AN INSURER: RISKS AND RISK MANAGEMENT

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The article examines the nature of the investment portfolio of an insurer as a subject of investment activity. It is noted that most insurers did not have developed and prepared detailed investment strategy and invest in various financial assets or in bank deposits. It is this diversity of possible areas of investment for the insurer that forms its investment portfolio and determines its specificity. The article gives examples of existing investment portfolios of insurers. The structure of the presentation of investment portfolios shows that the largest share in the investment portfolio is occupied by investment insurers' areas such as bank deposits. During the process of the investment portfolio of the insurer is arising a contradictory situation that is related to the ratio of two main options of the portfolio – risk and return: the insurer acting as an investor seeks to both increase profitability and reduce risk, i.e. trying to solve two problems simultaneously contradicting one another, as the interrelation between risk and profitability – direct. For a more detailed consideration of this issue the article determines the possible risks of the investment portfo-

lio of the insurer and marks feature of their investment portfolio – the presence of two components of risk: systematic and unsystematic, and the fact that the unsystematic risk includes a special component, which is linked with the insurance industry and key factors influencing it. It is this non-systematic risk component that determines a feature of the investment portfolio of insurers, forms a part of the overall risk of the investment portfolio of the insurer, and certainly ought to be taken into account in determining the overall risk of the portfolio.

The article proposes areas of managing possible risks of the investment portfolio of insurers as diversification and hedging. Using diversification it is possible to reduce unsystematic risk of portfolio of the insurer that would reduce the overall risk of the portfolio, and using non-standard derivatives insurance companies can create their optimal investment portfolio. It is suggested that the consideration and solving of problems of risk management of insurers investment portfolio will enable further development of insurers as significant subjects of investment.

## **DIRECTIONS FOR IMPROVING THE EFFECTIVENESS OF INCOME GENERATION OF CONSOLIDATED BUDGET OF NOVOODESKYI DISTRICT OF MYKOLAIV REGION**

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The process of decentralization of budgetary resources requires to link financial autonomy and independence of the budgets with tax, non-tax revenues and official transfers. In this regard, the relevant is a question of change of forms and instruments of income generation and expanding areas of their receipt.

The study is to analyse revenues of the consolidated budget of Novoodeskyi district and identify the main prospects for its functioning.

From 2012 to 2016, a pumping up the consolidated budget of Novoodeskyi district was carried out by tax revenues, official transfers and non-tax revenues.

Currently the largest share in total budget revenues is taken by official transfers. Moreover, this indicator is constantly growing. Over the entire period the share of official transfers reached 35.5%. Increased volumes are explained by the policy of decentralization accompanied by the transfer of significant tax revenues generated at the level of district from the state to local budget.

Although own funds at the disposal of local authorities have increased, the amount of goods and services that they can buy was lower than in the previous years. This is a consequence of inflation observed in the economy of Ukraine in 2015. Statistics says that in 2015 the price increase was 43.3%. Inflationary processes were so stormy that blocked the cash budget losses from the fall in output in the country.

Among tax revenues: tax and tax on personal income of 12,546.8 thousand and income tax – 6.6 thousand.

The share of non-tax revenues in the local budget is less than 1%, we see it for the entire period studied, in absolute terms in 2016 the value was 4.53 thousand UAH and in comparison with 2012 has decreased by 86.8%, accounting for 29.74 thousand UAH. This is due to the lack of revenue in the year for certain items such as: income from property and entrepreneurship, administrative fees and charges, state duty.

Reduced tax revenues to the budget in 2016 is explained by government policies aimed at easing the regulatory burden on business and, therefore, accompanied by a reduction of licensing procedures of licensed business activities, audits.

A fund of interterritorial finance alignment should be established in order to control local budgets. It would be appropriate to divide the local budget into the current budget and budget of development. This budget development should be based on the following principles: ensuring of a sufficient level of development of a region, city, town, village; stability of cash flow; priority development of the social sphere; scientific validity of the size of expenditures; mandatory implementation of the current budget.

In the analysis, we found a set of problems in the management of district revenues, including: disparity of current trends of local budgets' income generation and

needs of strengthening local government, local budgets' limited access to the capital market, absence of a transparent mechanism for the distribution and use of intergovernmental transfers.

Among the ways to solve the problems we offer: creating economic incentives for the development of own tax potential areas,

development of local debt market, introduction of assessing the financial position and the quality of financial management of local authorities. Also it is advisable to increase the effectiveness of management of local budgets as well as increase control and responsibility for compliance with budget legislation.

## **GENESIS OF CONCEPTS OF CORPORATE SOCIAL RESPONSIBILITY**

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Social aspect of the organization is becoming increasingly important in the world society. Sustainable economic development today is not determined by the fact of availability of raw materials or markets; it is determined by the ability of the market to join the highly skilled workforce, scientific inventions and new technologies. These realities make it necessary to develop adapted to Ukrainian conditions concept of corporate social responsibility

For all the years of being there was a lot of concept of CSR, in view of the different scientific approaches to this topic. Having reviewed the most common concepts, we developed a comprehensive concept of CSR, which absorbed the positive features of the concepts that was discussed and will take into account the basic requirements for increasing the competitiveness of business

entities both in internal and external markets in terms of the increased globalization trends, namely:

- business entity should be responsible for their actions to the public and to the all stakeholders
- business entity must produce only quality products and develop quality services for consumers
- business entity must strictly comply with all requirements of national and international legislation (legal, tax, labour, environmental, etc.)
- business entity must control the economic and social and environmental indicators of their activity
- business entity must develop modern communication and implement new information technologies.

## THE DISTRIBUTION OF STATE REVENUE AND FISCAL IMBALANCES WITHIN THE BUDGET SPACE

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The necessity of improving actual budget system, notably, through the intergovernmental fiscal relations, could be considered as one of the main tasks of development of Ukraine's economy. The geographical, demographic, social and economic features of each region and also the imperfect distribution of both budget and fiscal power are the main reasons of occurrence of fiscal imbalances.

So the given article deals with defining of prerequisites of occurrence of horizontal fiscal imbalances, which are related to the equalization problem and vertical fiscal imbalances, related to the fiscal gap. Both of these types of imbalances arise under the fiscal decentralization process. The analysis of both theoretical and empirical research allowed us to define the position of such imbalances in the system of budget space and to conclude that in such system the

vertical fiscal imbalances could lead to the problem of inadequacy while horizontal fiscal imbalances could lead to the necessity of financial equalization. The existing investigations of fiscal decentralization allowed us to determine three main areas of fiscal relations arising between different levels of authorities within the budget space. Notably, they contain the spending side, the revenue side, and the macroeconomic aspects. The latest concerns the ways of coordination between different government levels by force of fiscal rules, cooperation arrangements or market forces in order to ensure compatibility with national fiscal and budget goals.

The main directions of further research will be concentrated on examination of actual system of intergovernmental fiscal relations in Ukraine, on determination of existing fiscal imbalances and possible ways of their elimination within the budget space.

## ACCOUNTING, ANALYSIS AND AUDIT

# ACCOUNTING AND ANALYTICAL SUPPORT OF INVENTORY AT AGRICULTURAL ENTERPRISES

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In this article conducted a research about accounting of inventories at agricultural enterprises. The inventories are an important accounting and economic category because without them any production cannot exist and they represent a significant share of the cost of finished product. During the research a definition of "inventories" is given and the prerequisites and objectives of inventories accounting in enterprises are outlined.

The prerequisites include: rational organization of storage facilities; development of nomenclature inventories; availability of inventories accounting instructions; correct classification of inventories; development of norms of inventories consumption. The purpose of inventory management is to ensure the right moment by necessary amount of material for production.

We have got acquainted with the classification of inventories proposed by Ohiichuk: seeds, feed, petroleum products, solid fuel,

different agricultural raw materials, spares and repair materials.

During the withdrawal of inventories from a warehouse 5 methods are used, by which they are measured, namely, identified items of inventory cost, average cost, FIFO method, regulatory costs and selling price. For the automation of accounting the most prevalent program, with which agricultural enterprises keep records at the company, is "1C".

Rational directions of improving accounting of inventories at agricultural enterprises are: widespread use of new software in automation of accounting; ensuring the strict order of acceptance, storage, and cost of raw materials; effective control of inventories provisions and expenses; improvement of forms accounting inventories. These improvements will help to run reliable and efficient accounting at agricultural enterprises of Ukraine.

## REALITIES OF AUDIT IN DOMESTIC AND FOREIGN PRACTICE

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Audit – is a verification of accounting and indicators of the financial statements of the entity in order to express an independent auditor's opinion on its reliability in all material respects and compliance with the laws of Ukraine.

Almost 20 years the audit is legalized in Ukraine. During this period there were attempts to cancel, make application to the revision, to cancel or reduce the field of statutory audit. Despite these obstacles, the audit was formed as a professional activity, has certain obligations to society and has prospects for development and improvement.

In the area of auditing, a subject of management and control is the Audit Chamber of Ukraine.

Auditing is a fairly new area, and therefore it has some deficiencies in its functioning.

Distrust of the quality of audit services is caused by the lack of control at the state level. This problem is perhaps most relevant, because now in Ukraine there are many small and medium enterprises, which, with their small incomes cannot afford to make use of services of the great and proven audit firms. Such enterprises are forced to turn to private auditors, risking get low-quality audit services.

One of the real ways to improve the quality of audit services is to improve the accountability of auditing firms and auditors.

Audit in different countries is influenced by the development of society and various factors.

In Germany, the activities of auditors are clearly regulated and controlled. Authority control body is the Institute of Auditors, which has specialized committees to resolve the problems that arise in the audit.

In Denmark, auditors are entitled to provide professional services to some of organizations until the following meetings. There are no restrictions to the number of appointments of the audit firm for one organization.

The main purpose of the audit in France is external financial control over the reliability of financial reporting of private sector.

Audit is a fairly new area of business activity and thus has a number of shortcomings in its functioning. The problems that arise in auditing activities affect both the company and the economic situation of the state. In Ukraine, it is advisable to apply German experience to strengthen control over the audit quality.

## ACCOUNTING OF FORMING AND USING RESERVE OF DOUBTFUL DEBTS

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Whatever activities are not involved in the company, on which tax system would they work and whatever are the characteristics of most of these companies –receivable arises in accounting of almost any entity. The notion of receivables is inextricably linked to the concept of provision for doubtful debts, by which the adhering to a principle of prudence in accounting is taking place.

According to P (S) 10, receivables of an enterprise is recognized as an asset in the case where it is probable to receive the future economic benefits by enterprise and its amount can be reliably measured.

Guided by paragraph 7, P (S) 10, current receivables, which is a financial asset, should be included in the total balance at net realizable value. For this it is foreseen a mechanism of formation of doubtful debts allowance. Initial cost of current receivables is reduced by the amount of such an allowance and thus the financial reporting reflects a residual value of receivable, entitled “net realizable value”.

Creation of a reserve for doubtful accounts results in increased operating costs. Thereby is the achieving of compliance with the implementation of one of the major accounting principles – prudence.

Paragraph 8, P (S) 10, defines two methods of calculation:

- 1) the method of application of the absolute amount of doubtful debts;
- 2) the method of application of uncertainty factor.

Selecting one of the two methods has to be justified. The selected method should now be recorded in accounting policy.

Practice shows that companies often use the method of absolute amount of doubtful debts as easier to be used. This method consists in that the value of the allowance is determined based on the analysis of the solvency of individual debtors.

The method of application of uncertainty factor is based on the fact that the value of the doubtful debts allowance is determined by multiplying the total amount of receivable balance at the beginning of the reporting period by a factor of uncertainty.

## THEORETICAL AND METHODOLOGICAL BASES OF FORMATION OF INTEGRATED REPORTING IN UKRAINE

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This article reveals concept, stages of development and prospects of the integrated reporting application in Ukrainian enterprises according to the international standards. The authors investigate the features of integrated reporting of Ukrainian enterprises. The present statistical data of the integrated reports preparation by the Ukrainian enterprises is revealed and internal and external factors that can interfere with the development of the institute of integrated reporting in Ukraine are analyzed. A comparative analysis of the financial statements according to the international and national standards is held. The main problems and prospects of its implementation in Ukraine in the context of drawing up integrated reporting are analyzed. The basic stages are determined and the methodology of its forming is offered. The authors consider a phased methodology for integrated reporting. The specific ele-

ments of the proposed methodology for the integrated reporting are described. Analyzed requirements for financial and non-financial information to be disclosed in integrated reporting. The key principles of integrated reporting described in detail the types of capital based on the principles and indicators identified in the reporting forms in which revealed information on it. The general and additional principles of integrated reporting forming are analyzed, its structural elements are underlined and the fundamental indicators are described. To minimize risks and errors in the process of compiling integrated reporting it is proposed to carry out continuous monitoring at all stages. Internal audit can act as the monitoring tool. Preparation of integrated reporting of Ukrainian enterprises according to the proposed method allows unifying this process, improving the quality and value of the disclosed information.

# IMPROVEMENT OF METHODOLOGY OF FORMING AND ANALYZING FINANCIAL STATEMENTS OF ENTERPRISES

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The objective conditions of tough competition associated with the active introduction of various mechanisms in managing the business activity of economic entities, require, above all, maintaining high own competitive position. In these circumstances, the demand for financial information greatly increased. It is the exclusive role of information security in processes of governance that entails more attention to the financial statements as the main source of information about property and financial condition and the results of its industrial and economic activity for the period. Researching the problem of reporting and analysis is relevant and important in the current economic conditions, as a single procedure for the preparation and presentation of financial statements will help unify background information, rise common understanding of reporting indices for external users. We should note that the impact of financial reporting on the effectiveness of decision-making is determined by how it meets the needs of users.

The role of economic and financial information as a system of financial indicators is determined by the influence on decision-making process of the users. Pre-eminently the financial statements reflect all sig-

nificant changes in the structure of economic resources and their sources and financial and economic activity, provides composed significant amount of information necessary for external and internal users.

In order to improve financial reporting methodology at enterprises we recommend a reasonable set of principles, methods and techniques of accounting based on the influence of the external and internal environments. We determine the qualitative structure of the information presented in the statements, content and methodological foundations of reporting indicators.

As a result of finding sustainable ways to improve the financial reporting, we offer the following terms and methods of analysis. The development of providing analysis will allow companies' management to carry out specified monthly analysis and to use the results for developing some reasonable management decisions. The methods of calculation of balance liquidity, solvency and financial stability should be more detailed and simplified in the methodology. Further, this will help to develop a specialized program for a computer usage in the analysis of the financial condition of an enterprise.

# **MODERN DOMESTIC AND FOREIGN PRACTICE OF CALCULATION OF PRODUCTION COSTS, ACCOUNTING AND MANAGEMENT OF PRODUCTION COSTS OF COMPANIES**

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This article is devoted to current issues of management of company expenses. Economic activities of any business entity should be based on rational use of financial, material and human resources. The cost is expressed in monetary terms, a certain amount of resources involved in the enterprise for a particular purpose. Cost of sales is the most significant item of expenditure of any business. There are various methods of cost accounting and calculation of production costs. In our opinion, the regulatory cost accounting method is more advanced; it allows more efficient use of accounting data for identification of reserves to reduce

costs. Among the important issues of management accounting are cost-effectiveness of enterprise, search for their optimal size. The enterprises often lack an efficient system of planning and cost control. In foreign countries, the following management costs, "ABC-method", "Target Costing", "Kaizen Costing", "CVP-analysis", "Just in time" and others are used. Cost reduction – is one of the most effective tools, which the company can use in order to stabilize its financial situation. The article proves that it is not correct to talk about the cost reduction and rationalization of consumption in the crisis.

## FEATURES OF ORGANIZATION OF LABOUR ACCOUNTING AND ITS PAYMENT SYSTEM

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The article deals with the legal and regulatory framework that governs the accounting of wages in Ukraine. The main document that regulates the organization of wages is the Law of Ukraine "On Wages". The economic essence of wages and its structure are determined in accordance with the Law of Ukraine "On Labour".

According to the State Statistics Service of Ukraine investigated the structure of incomes of Ukraine for 2012-2016 years. It is established that income of population of Ukraine consists of four sources such as wages, profit and mixed income, property income (receivable) and social assistance and other current transfers.

The basic aspects of accounting policy in terms of remuneration include: the definition of systems and forms of remuneration; establishing a system of regulation of labour; displaying order on accounts of payments of wages at an enterprise. Indicated prerequisites for rational organization of accounting of work and payment at an enterprise, as well as drawbacks associated with the orga-

nization of keeping wages that are inherent in the enterprises of Ukraine.

The features of modern systems of remuneration and key aspects of remuneration in foreign countries are revealed. It is determined that in Ukraine two basic forms of wages are often used – hourly and price, which, in turn, are divided in the system. Proved the importance of studying foreign experience of wage in developed countries and use this experience in modern realities of the Ukrainian economy.

According to the theoretical assumptions and legislative regulation, wages in Ukraine are the subject of national, state and industry regulatory and collective bargaining regulation. The quality, honesty, fairness, completeness and timeliness of payments to staff on pay depend on organization of accounting of remuneration. The salary should depend directly on the results of work and at the same time influence on its performance, stimulate the development of production efficiency, and improve the quantity and quality of work results.

# PROBLEMS AND WAYS OF IMPROVING ACCOUNTING AND METHODOLOGICAL SUPPORT OF MANAGEMENT OF CURRENT ASSETS OF AGRARIAN ENTERPRISES

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In the market conditions of development in Ukraine there is a problem of effective functioning of domestic agrarian enterprises, which is not possible without the necessary amount of assets. The processes of formation and use of current assets in agrarian enterprises' operations affect decision-making regarding their strategic development and ensure positive end results of their activities. The problems of assessing the level of provision of agrarian enterprises of current assets and determining the effectiveness of their use are also relevant from a position of managerial decision-making.

Effective decision-making on the management of current assets largely depends on the introduction at agrarian enterprises of better coordination of the various services, presence of information management, systematic accounting, ensuring of internal control and management accounting.

Accounting is an integral part in the accounting and methodological support and allows internal and external users to obtain information about all business processes of the agrarian enterprises. Accounting data provide the opportunity to analyse and continuously monitor business processes. We can say that one of the important characteristics of accounting and methodological support at the present stage of development is the quality of accounting information, which largely depends on the quality of accounting policies. From this point of

view, an important problem in the context of global economic change remains the further improvement of accounting and methodological support.

In the context of state regulation of accounting in Ukraine, the quality of accounting and methodological support of the management of current assets depends on constant monitoring of the existing legislative and normative-legal acts. The regulation of questions of methodology accounting of current assets is provided by the national provisions (standards) of accounting.

But, unfortunately, in the process of studying accounting and methods of management of current assets of the agrarian enterprises, there are many problems that require immediate solutions. We can include such as: inventory management and rational organization of accounting, the method of estimating the disposal of stocks, their reflection in accounting and reporting; management of finished products and the organization of accounting of overheads, determination of the composition and list of costs, choice of method of accounting of production costs; receivables management and implementation of the classification assessment, choice of method; cash flow management or other means.

Therefore, accounting as an information system must continually evolve and improve in accordance with the economic processes, which are taking place at the present stage

of development. Because the needs and priorities of external and internal users are constantly growing and changing, the accounting system of current assets should

be adequately changed in order to meet the information needs of different user groups for staging the problems that need to be addressed in their activities.

## FEATURES OF FINANCIAL ACCOUNTING OF BANK LOAN PAYMENTS

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This article is devoted to the current issues of features of accounting of bank loan payments at enterprises. In modern conditions enterprises in Ukraine often face the problem of the deficit of own funds. This question is often solved by attracting funds from the side – bank loans.

The article states that the important issue is the choice of a banking institution that has the ability to provide credit for the most favourable conditions for both sides. Also, it is worth to choose the type of bank loan that the best fits the particular company for a term, by way of repayment, interest rate and other factors. During writing the article, we have analyzed and systematized the main features that define the essence of bank credit and considered the principles that must meet the lending process. Also, we have included a list of the required documents that should be given to a banking institution for receiving a loan. This list includes the statement, copy of the registration certificate and statutes, card with samples of signatures, financial statements, statement from the State Fiscal

Service, guarantee obligations of a guarantor, business plan and other necessary documents.

The features of bank loans in foreign currency are studied. In addition, we considered the following types of services as factoring (funding system under which the company provider of products assigns short-term requirements for trading operations banking institution) and forfaiting (financial transaction to refinance debt on export commodity loan, which is issued by endorsement transition bill in favour of the bank).

Defined the features of reflection in the financial accounting transactions related to bank loans, such as real interest operations and the typical wirings.

When writing the article, we identified the main problems concerning the granting bank loans to enterprises in Ukraine, namely high interest rates, low levels of government support, lack of flexible guarantee funds.

At the end of the article we have concluded about the current state of bank lending and its reflection in the accounting and anticipated the development prospects.

## **PROVIDING OPTIMAL ACTIVITY OF AN ENTERPRISE WITH EFFECTIVE MANAGEMENT AND ACCOUNTING OF RESULTS OF INVENTORY OF ASSETS AND LIABILITIES**

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Taking inventory is required prior to the preparation of the annual financial statements in the amount determined by paragraph 6 section I of the Regulation on Inventory of Assets and Liabilities No. 879, taking into account features of the inventory.

The inventory covers all kinds of liabilities and all assets of the company, regardless of their location, including the items given in hire, rent or under construction, modernization, maintenance, repair, or reserve, regardless of the technical condition. When revealing surplus of fixed assets, intangible assets, a fair value of the object is primarily determined (the fair value is the cost at which an asset can be sold or used to pay for obligations on a certain date, that is, the market value of the asset. It is determined by the enterprise independently or with the participation of professional valuers. The basis is the market value of similar properties in the same area and in similar condition.

As a result of inventory it is possible also to identify a loss or regrading of stocks, and at the same time: a shortage within the norms of natural losses, and shortages and losses over these norms are recognized as

the period costs and reflected in subaccount 947. The norms of natural loss are applied only when there is an actual shortage of supplies, and in the absence of established norms of natural loss any loss is considered as excessive.

Inventory is a way of monitoring the safety of the quantity and quality of resources, authenticity of the account. The procedure of taking inventory is determined by the normative documents of the state, but the practice shows that the enterprises can independently develop forms of the inventory for a more convenient use during inspections. Inventories contribute to the elimination of possible discrepancies between actual and accounting data, ensuring their authenticity and control over the safety of property of the enterprise. Every enterprise needs to develop a schedule of inventory, step-by-step program of inventory of each article of the balance sheet and approve a journal of transactions reflecting in the accounting and tax accounting of identified amounts of shortages, surpluses, regrading, losses within the norms of natural losses, excessive losses, shortages at fault of financially responsible persons.

## MATHEMATICAL METHODS, MODELS AND INFORMATION TECHNOLOGIES IN ECONOMY

### STRATEGIC PERSONNEL MANAGEMENT ON THE BASIS OF PRODUCTION FUNCTION

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The purpose of the conducted research is the construction of non-linear models in order to determine a kind of dependence between independent and dependent quantities. In this research, the labour resources (average number of regular staff) and fixed assets value serve as independent quantities, while dependent quantity is presented by the volume of products sold (goods, services).

In order to achieve stated purpose, graphic and analytical methods of statistics were used, in particular, Cobb-Douglas production function; module of non-linear esti-

mation in Statistica system was used for building multiple non-linear models.

As a result of the conducted research, production functions for different types of economic activities are received, function parameters as indicators of factors' influence on dependent quantity and effectiveness of labour resource use are determined. Relationship types between the factors and function are described.

A scientific novelty is presented by production functions for each type of economic activity, which are obtained as a result of conducted research. A possibility of using production functions at the macrolevel is proved.

## CONCEPTUAL MODEL OF DEVELOPMENT OF MARICULTURE IN UKRAINE AND THE WORLD

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People always harvested seafood and it became clear for humanity at once that the seas and oceans are exhaustible. So Humanity had to regulate seafood and production, restrict system contracts, permits, prohibitions. And mariculture appeared as an aquaculture industry. They defined the basic geography, growing and demand for mariculture products in the world.

Limited possibilities for self-replenishment of the bioresources of the oceans make scientists look for new approaches that would ensure the flow of fish products to the world market. The main one is the development of aquaculture. Aquaculture is the cultivation and cultivation of human-controlled fish, molluscs, crustaceans, echinoderms, algae, which represent economic, and sometimes aesthetic (artificial pearls, aquarium fish), interest. In other words, it is a question of artificial reproduction of fish and other seafood with the help of their transfer, acclimatization, creation of underwater "farms" and "plantations". The water economy is treated as an economic sector that occupies an intermediate position between the appropriating economy (harvesting, hunting) and agricultural production. Aquaculture as a complex economic area is engaged in a complex of biological, economical and engineering sciences.

Marine aquaculture (mariculture) – is the commercial cultivation of marine organisms for sale on natural or artificial fodders in fenced gulfs or special gardens. The main amounts of mariculture – algae, mollusks and shrimp, which are becoming less in the waters of the oceans. Therefore, the development of mariculture is necessary not only for the development of the marine industry, but also for the conservation of entire ecosystems.

The breeding and cultivation of marine objects has a long history. However, in the modern sense, aquaculture and more so mariculture is a new trend, as it has acquired a large-scale industrial character in a single stream with high technical equipment, a large network of specialized enterprises, requiring in-depth comprehensive research and multilateral expertise. There are many publications by domestic and foreign scientists on the significance and impact of mariculture on the environment from an environmental point of view, most of the scientific papers have been published since the Soviet Union, and modern authors prefer to study freshwater fisheries. Therefore, there is no science-based literature on the study of mariculture. There is a need for a deep analysis of the economic activity of mariculture in the world in order to adopt the experience of doing business in Ukraine.

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Electronic scientific publication

# **ECONOMY AND SOCIETY**

**Volume 6**

Proofreading • *A. A. Skripchenko*

Desktop publishing • *N. M. Kovalchuk*

Founder of the edition:

Mukachevo State University

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Mukachevo, Uzhgorodskaya St., 26

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