

THEORETICAL BASIS OF THE ANALYSIS OF FINANCIAL CONDITION OF AGRICULTURAL ENTERPRISES

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The essence of the financial state of agricultural enterprises is expressed as obtained result from activities and outlines promising areas of development. The need to analyse and assess the financial condition of agricultural enterprises is caused by the fact that a large number of modern agricultural enterprises are unable to timely and qualitatively assess their financial situation; in the future this situation will hinder the effective conduct of business. In crisis management, especially important is the problem of the lack of clear management decisions at the level of an agricultural enterprise. In the circumstances, the important task is to improve at the enterprise level its financial condition by using the accurate assessment and timely decision-making.

In the current economic conditions, the financial state of agricultural enterprises is characterized by a system of indicators that describe the presence, location, movement and use of financial resources. The main purpose of a financial analysis of agricultural enterprises is to identify priority areas for further implementation of financial and economic activities, ensure profitability and increase production capacity.

Resources' provision of the production process of an agricultural company is car-

ried out due to experienced management in the field of the company's finance, which in turn generates its stable financial position. Experienced financial management at the enterprise is an important component of economic activity and is intended to provide income and rational use of financial resources.

The analysis of economic literature shows that at present there is no effective method of assessing the financial situation of the company. Many farms use outdated methods of financial analysis in their activities, which are characterized by selective assessment of the entity's performance, a large amount of calculations and output parameters, which complicates the process of assessing the financial situation of the company.

The method of analysis of the dynamics and structure of indicators of financial statements is one of the main methods of assessing the financial situation of agricultural enterprises. However, given that the financial statements are a combination of the absolute performance of the company, the analysis of these data leads to ambiguity and possible incorrect assessments of the financial condition of the company.

An appropriate level of financial condition of agricultural enterprises usually is tem-

porary, because the diagnosis of financial condition by means of comparing actual performance with the standard ones should be carried out continuously. Implementation of

these measures contributes to the providing of necessary information regarding the financial condition of enterprises to all participants of the production process.