



Formation of Income of Enterprises Sufficient for Self-Financing

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ABSTRACT

The article deals with the modification of the category of production costs. Two diametrically opposed concepts are also considered on the cardinal issues of forming the cost of production. Particular attention is paid to the role of the wage fund in the sulfur of new distribution relations that are emerging in connection with the transition of enterprises to a new model of self-financing.

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Introduction

The development of enterprises and their formation as a sustainable enterprise is a complex and multifaceted process. This includes, in addition to highlighting the strong material and technical base of the enterprise, the proper management of mechanisms of scientific and practical importance and the effective functioning of the financial relations of the enterprise. This goal cannot be achieved without reforming the financial mechanisms of the enterprise, directing it to the emergence of financial stability of the enterprise, meeting social needs, effective use of financial resources of the enterprise. Also, the process of modernization of the financial system of enterprises, which is an integral part of the

economic life of the country, requires more efficient use of financial resources in this area.

Material and methods

According to the provision “On the structure of costs of production and sale of goods (works, services) and the order of formation of financial results”, economic conditions based on the normative distribution of gross income create prerequisites for modifying the category of production costs and financial results in relation to the features of the formation of gross income in the self-financing model. It provides for the non-normative formation of a unified wage fund in the form of the balance of income after deductions from it according to established standards to the fund for the development of production, science and technology and the fund for the social development of the labor collective. Thus, the amount of remuneration is directly dependent on the final financial results of the enterprise. At the same time, the structure of production and non-production costs that form the cost of production is changing significantly, since under the second model of self-financing, labor costs fall out of its composition, which are now fully reimbursed from the distributed gross proceeds.

The production of material goods necessary to better meet the needs of society is mainly the responsibility of industrial enterprises [1]. The steady growth of industrial production will increase national income, create additional sources for the growth of production growth, and further increase the level of material well-being of workers. In order to achieve this, it was necessary to study the situation, which plays an important role in the main activities of the enterprise. The main focus is on identifying and analyzing the factors that affect the costs associated with the production and sale of products.

In studying the issues related to the planning and financing of costs associated with the production and sale of products on the main activities of enterprises, it is important to analyze the state of production in the enterprise in making the right decisions.

The main tasks of the analysis in the production and sale of products should be:

- check the accuracy of the planned tasks for the production and sale of products;
- Evaluation of the volume, composition, nomenclature, range, quality and uniform production of enterprises for the implementation and change of production plans;
- determine the difference in the implementation of the plan for the past year and the business plan and its reasons;
- Evaluation of the implementation of the sales plan for the supply of products on the basis of contractual obligations;
- Identification of reserves for the production and sale of products and improvement of its composition and quality.

Recently, in the economic literature, two diametrically opposed concepts have been clearly identified on the cardinal issues of the formation of production costs and income at enterprises using the self-financing model.

Many economists advocate the need to preserve traditional methods for determining the cost of production and financial results for enterprises that have introduced the independence model [2]. Supporters of this concept consider it necessary to continue to reflect all costs of production, including wages, in the accounts of production costs. At the same time, they propose to reimburse all monthly wages previously accounted for in these accounts from the payroll fund formed during the distribution of income.

We do not share this position, since it does not reflect the role and place of the wage fund in the area of new distribution relations that are emerging in the area in connection with the transition of enterprises to a self-financing model. If before the introduction of this model, wages were considered as an element of production and distribution costs that form the full cost of production, now it turns into an integral part of income credited to the wage fund in the process of its distribution.

Proponents of preserving the traditional method of reflecting wages as part of production costs lose sight of another important circumstance [3]. If we proceed from the method they propose to write off monthly wage costs at the expense of the wage fund (simultaneously with the determination of financial results from the sale of products), then inevitably part of the wage costs will settle in the balance of work in progress and unsold products at the end of each month. Consequently, there are serious deviations from the principles of financing and lending of normalized working capital inherent in the model. It is hardly legitimate to include wage costs in the assessment of work in progress and finished goods, since under the self-financing model, the only source of covering labor costs is the income received in the reporting period after reimbursement of material and other costs (except wages).

In our opinion, it is quite possible for enterprises using models to obtain generalized indicators of the total cost of production, including wages, outside the system of accounting accounts. This would make it possible not to disperse wages on many calculation and collection-distribution accounts, and also not to distribute these costs many times. Of course, it is much easier to obtain the required information in an off-system way for control and comparative analysis at the sectoral, territorial or macro level. To do this, it is enough to add the wages accrued at the expense of the wage fund to the costs recorded in the accounts of production costs.

Here, for analogy, it is appropriate to refer to the long-term experience accumulated by enterprises in accounting and reporting the amounts of compensation for increased costs for the production of new innovative products (during its development) from target sources (the former fund for the development of new equipment) or the now created venture fund and reserve fund [4]. It is known that in the cost reporting, the planned and actual cost data for each costing item are calculated minus the costs compensated from targeted sources. These costs are shown only for reference - the total amount for the result of the cost of production. It seems to us that a similar methodology should be extended to payroll costs.

It should be specially emphasized that for calculation calculations and analysis of the economic profitability of the production of specific types of products, it is extremely important to have reliable information about their full cost, regardless of the cost accounting model used. In our opinion, at enterprises it is possible to obtain such information in an off-system way by adding the standard wage expense (according to standard or planned calculations) to the material and equivalent costs recorded on the "Main production" account. It is clear that the cost of production calculated in this way should not include bonuses and other payments from the wage fund, which were previously reimbursed from the incentive fund. Such a fund is not created as such, although there are incentives for employees.

Some economists, referring to the experience of applying the market model in enterprises, consider it expedient to monthly write off all costs incurred, except for wages, to the financial results from the sale of products [5-6]. At the same time, they recommend limiting themselves to quantitative (off-system) accounting of work in progress in physical terms, abandoning the distribution of costs between sold products, their balances in the warehouse and shipped goods that have not yet been paid by intermediaries.

Conclusion

In our opinion, regardless of the model used, control and accounting are designed to provide the needs of management, financial analysis with reliable information on the financial performance of enterprises. Undoubtedly, in most enterprises, due to significant differences between the volumes of output and sales of products, it is impossible to determine the real value of the gross income or profit received in the reporting period, ignoring changes in carry-over balances of unsold products. In addition, without reliable accounting and reporting data on these balances in value terms, effective financial control over the security of a bank loan, as well as over the correct calculation of payments to the budget, is unthinkable.

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