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Vaskovska K.

PhD., Associate Professor
 Department of Accounting and Auditing
 E-mail: v.caterin17@gmail.com
 ORCID ID: 0000-0001-8093-170X

Kyssa M.

Undergraduate
 Department of Accounting and Auditing
 E-mail: mariya.kyssa@ukr.net
 ORCID ID: 0009-0002-1043-5617

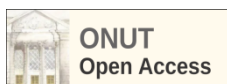
Holovachenko L.

Head of the Laboratory
 Department of Accounting and Auditing
 Odesa National University of Technology
 Kanatna str., 112 Odesa, Ukraine, 65039
 E-mail: ludaoia2012@gmail.com
 ORCID ID: 0000-0002-0059-019X

THE ESSENCE AND FUNCTIONS OF MONEY IN THE ACCOUNTING AND FINANCIAL SYSTEM OF THE INDUSTRIAL ENTERPRISE

Any enterprise cannot function effectively in modern conditions without effective management of its financial resources. The article defines the term «money». It has been shown that the presence of cash in the enterprise affects the efficiency of its operation and that money is a product of the evolutionary development of commodity relations. The risks of violation of the continuous system of settlements between legal entities have been reflected, the signs of money have been characterized. An analysis of the interpretation of the concept of «money» given in the economic literature was made. It has been studied how a decrease in cash receipts reduces outgoing cash flows, one of the most controversial issues in the theory of money has been considered - the question of the functions of money and its essence in accordance with the theoretical and methodological developments of foreign and domestic economists. It has been proven that the correctness of decision-making management depends on the correct use of information on the movement of funds. The role of electronic money in the modern world has been reflected and it has been shown that electronic money is a very convenient means for making quick payments.

Key words: money, assets, essence of money, functions of money, economic activity, electronic money.



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Statement of the problem and its connection with important scientific and practical tasks. Money is a special commodity. They are a general equivalent form of value of other goods and services [3]. In Western economic literature, money is defined as the commodity that has the highest liquidity. That is, money can be exchanged for another product at any time. We can say that money is a product of the evolutionary development of commodity relations, a more perfected form of economic relations between producers and consumers. The enterprise cannot function without the use of cash. The company's ability to pay its bills and compete depends on the company's cash availability, and, as a result, the company's effective operation and further development. The income of money is formed as a result of economic activity, and the expenditure of money requires strict targeting in order to achieve the set goals of the economic entity. The flow of financial resources at Ukrainian enterprises has a negative trend due to the fact that production volumes have decreased, bank loan rates have become more

expensive, and the procedures for obtaining them have become more complicated. As a result, a decrease in cash inflows reduces outgoing cash flows. The limit of own working capital of the supplier and the buyer of goods forms a chain of insolvency, which extends to all enterprises and leads to less efficient use of funds in the state. If the continuous system of settlements between legal entities is violated, this leads to the formation of a shortage of funds and increases risks in the economic activity of enterprises. Such risks are: disruption of the production process, loss of future customers, increase in the price of products, rupture of relations with counterparties for the supply of goods, works, services, delay in payment of wages, settlements with the budget, banks and other legal and physical counterparties, as well as sanctions by creditors, which can be pre-trial and judicial.

The analysis of the latest publications on the problem. The issue of accounting and control of funds was considered by such scientists as: V.S. Savchuk, I.O. Blank, L.V. Ivchenko, Yu.A. Veriga, V.M. Seredynska,

F.F. Butynets, C.F. Golov, V.V. Sopko, E.V. Kalyuga, S.G. Khorunzhiy, L.Z. Shneidman, O.N. Lytnev, V.I. Yefimenko, N.V. Gudz, V.G. Shvets, I.B. Sadovska, O.A. Podolyanchuk. Ukrainian scientists who studied cash and cash flows at the level of dissertations and made a significant contribution to the development of their accounting, analysis, and control should also be noted: O.S. Vysochan, V.V. Varavka, I.S. Neskhodovskyi, O. I. Kashchenko, V. V. Yasyshena, N. K. Vasilenko, V. V. Tomchuk [15], but the study of the essence of the category «cash» and their functions in the modern realities of digitalization of the economies of countries requires additional research.

Forming of the aims of the research. The purpose of this research is to determine the essence and function of money in the accounting system of an industrial enterprise in order to ensure the effectiveness of its functioning and development in today's conditions.

Giving an account of the main results and their substantiation. Money has several very important features [5, 8, 11, 12, 14]:

- first, general recognition of money as subjects of social exchange;
- secondly, money is a means of expressing the value of goods;
- thirdly, money acts as an intermediary in all exchange transactions.

The correctness of management decision-making depends on the correct use of cash flow information in the process of economic activity, therefore this information must be complete and reliable. In the age of information technologies, monetary payments have significantly changed their form and acquired a more virtual character. The electronic form of calculations is a confirmation of this. Its practical use in economic activity significantly accelerates the process of providing the enterprise with the necessary financial resources and allows it to work more efficiently on international markets.

Currently, there is no unambiguous and complete definition of the essence of money. Pro-Western economies consider everything that is used as money to be the essence of money.

Representatives of the classical school, who are supporters of the labor theory of value, believe that «money is a special commodity, the social benefit of which consists in the ability to be the general equivalent and form of the value of goods, to express the costs of socially necessary abstract labor embodied in the commodity, to mediate movement and exchange goods, to combine the private labor of commodity producers into the system of public labor, to ensure equivalence of exchange between commodity producers» [14].

So, S.M. Ostafychuk believes that «since cash is absolutely liquid assets, this concept cannot always include absolutely all balances in bank accounts, because their liquidity can be very different from absolute» [13]. We agree with the author's opinion, because not all assets in bank accounts can be used by the company at any moment, therefore we cannot consider such funds as completely liquid assets of the company and classify them as cash. It is difficult to determine the composition of the

financial resources of a business entity due to the fact that the financial resources should not include only funds in current accounts in banks, but should also include funds in other accounts in banking institutions. If necessary, the industrial enterprise has the opportunity to use its own funds in other bank accounts, therefore they are also considered absolutely liquid and belong to the company's cash resources.

Taking into account the above, we can draw a conclusion regarding the definition of the economic essence of the concept of «cash» in scientific works: most scientists consider cash to be the assets of the enterprise, for example, S.M. Ostafychuk, V.I. Yefimenko [7].

The second group of authors (Y.S. Zavadskyi [8], G.V. Osovska [12]) consider «money to be income and receipts.» In our opinion, it is not correct to adhere to such an opinion, because money can appear both in the form of income and receipts, and in the form of expenses. In particular, there are other definitions of the term «money» in economic publications. Yes, V.V. Babich, S.V. Sagov believe that «money means the currency of Ukraine and foreign currency» [1]; M. Derii - «main segments for making cash and non-cash settlements between state budgetary institutions and enterprises» [5]; I.S. Neskhodovsky - «an abstract measure of economic processes, phenomena, objects, which subjects agree to accept as a means of payment» [11].

Therefore, the conducted study of the theoretical developments of foreign and domestic economists [5, 7, 8, 11-14], we can conclude that there is no single, generally accepted definition of the concept of «money», but in our opinion, money is cash in the cash register of enterprises, funds in current and other bank accounts and demand deposits, which are a resource for ensuring the solvency of the enterprise.

One of the most controversial issues in the theory of money is the question of the formation and definition of the function of money. Each author in his own way interprets not only the functions of money, but also their quantity. Most representatives of the Marxist theory of money adhere to the view that money performs five functions, but the authors have different views on the essence of each of them.

There are even more differences in the interpretation of the functions of money among representatives of non-Marxist economic theories. Yes, most of them define only three functions and abstract from others. For example, famous American economists R. McConnell and L. Brew consider only three functions of money: «a means of deception, a measure of value, and a means of accumulation» [9]. Classics of economic theory and some of its representatives of the late 19th and early 20th centuries. define, like K. Marx, the five functions of money: «measures of value, means of circulation, means of accumulation, means of payment and world money» [10].

L. Harris singles out 3 main functions: «means of circulation, measure of value, means of preserving value» [16].

S. Fischer, R. Dornbusch and R. Schmalenzi claim that «money performs four functions: a medium of exchange, a unit of measure, a means of preserving value,

a measure of deferred payments» [6].

In our opinion, money performs the following functions: a measure of value, a medium of circulation and a means of payment. The system of all these functions constitutes the real movement of money, and the content of the functions of money reflects the features of the reached stage of the evolution of money itself.

The function of money as a measure of value is reflected through the measurement of the monetary value (price) of goods. A market economy is impossible if the product does not have a certain price, because money is an intermediary in the exchange of goods, which ensures their circulation. The function of a medium of circulation is performed by real money. These two functions of money as a measure of value and as a means of circulation are interrelated. These two functions are the main ones and determine the essence of money. The function of money as a measure of value is complemented by the function of money as a means of circulation. At an industrial enterprise, as a result of economic processes (circulation of means), the ideal measure of value turns into an actual means of circulation [17].

A means of payment is when money ensures the repayment of various obligations between subjects of economic relations, including debt. The function of money as a means of payment ensures the possibility of a situation of mutual insolvency and indebtedness [2].

The study found that money is still evolving today; such a concept as electronic money appeared. Electronic money is a conventional name for money used thanks to the electronic system of banking services. This is money that works thanks to the latest computer technologies in the field of non-cash payments [4].

The research confirms [4] that all countries with developed economies use electronic money in their activities. Thus, banks of Ukraine are also implementing new technologies in their field, including the introduction of «electronic money», magnetic cards for non-cash

payments of counterparties for purchased finished products, goods and services, the possibility to pay bills through the «Client-bank» and thanks to the «PayPass» system through the phone or wristwatches. Electronic banking services significantly expanded the scope of use and functioning of deposit money, accelerated their circulation, and provided convenient conditions for payers and users.

Thus, having studied the evolution of the development of money, we came to the conclusion that in the future money will exist without a material form and will be «invisible» or have such a character [4].

Conclusions and prospects of the further investigations. Considering the above, it can be concluded that the publications of scientists regarding the definition of the essence of the category «cash» and their functions do not provide a clear and sufficiently complete interpretation of the essence of the concept of «cash», but most authors interpret cash as assets of the enterprise. Also, one of the most debated questions in the theory of money is the question about the functions of money. In our opinion, money performs separate functions: a measure of value, a means of circulation and a means of payment.

For the efficient functioning of industrial enterprises in the modern realities of digitalization, in our opinion, electronic money is a very convenient tool for making quick payments, because it makes life much easier, as it allows you to make immediate transfers of funds to any account and easily monitor your financial status and account balance. In Ukraine, electronic money occupies a special position, because at the moment we have a very low level of personal banking services, and electronic money is the only common method of non-cash payments for a very large number of people. Therefore, the introduction of electronic money requires further scientific development and research.

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Васьковська К.О.

кандидат економічних наук, доцентка
кафедра обліку та аудиту
E-mail: v.caterin17@gmail.com
ORCID ID: 0000-0001-8093-170X

Кисса М.О.

магістрант
кафедра обліку та аудиту
E-mail: mariya.kyssa@ukr.net
ORCID ID: 0009-0002-1043-5617

Головаченко Л.М.

завідувачка лабораторії
кафедра обліку та аудиту
Одеський національний технологічний університет
вул. Канатна 112, м. Одеса, Україна, 65039
E-mail: ludaoia2012@gmail.com
ORCID ID: 0000-0002-0059-019X

СУТНІСТЬ І ФУНКЦІЇ ГРОШОВИХ КОШТІВ В СИСТЕМІ БУХГАЛТЕРСЬКОГО ОБЛІКУ ПІДПРИЄМСТВА

Будь-яке підприємство не може ефективно функціонувати в сучасних умовах без ефективного управління його фінансовими ресурсами. В статті наведено визначення терміну «грошові кошти». Показано, що наявність у підприємства грошових коштів впливає на ефективність його функціонування та що гроші – це продукт еволюційного розвитку товарних відносин. Відображені ризики порушення безперервної системи розрахунків між юридичними особами, охарактеризовані ознаки грошей. Зроблено аналіз трактування поняття «грошові кошти», який наведено в економічній літературі. Досліджено, як зменшення грошових надходжень знижує вихідні грошові потоки, розглянуті одні із найбільш дискусійних питань у теорії грошей – питання про функції грошей та її сутність відповідно до теоретичних та методологічних напрацювань зарубіжних та вітчизняних економістів. Доведено, що від правильності використання інформації про рух грошових коштів залежить правильність прийняття управлінських рішень.

Гроші розвиваються й сьогодні. З'явилось таке поняття, як електронні гроші. Електронні гроші – це умовна назва грошей, які використовуються завдяки електронній системі банківського обслуговування. Усі країни з розвинутою економікою використовують у своїй діяльності електронні гроші. Банки України також впроваджують нові технології у своїй сфері. У нашій країні електронні гроші займають особливе становище, тому що зараз у нас дуже низький рівень банківських послуг для фізичних осіб, і електронні гроші є єдиним поширеним способом безготівкових розрахунків для дуже великої кількості людей. Відображена роль електронних грошей в сучасному світі і показано, що електронні гроші – це дуже зручний засіб для здійснення швидких платежів.

Ключові слова: грошові кошти, активи, сутність грошей, функції грошей, господарська діяльність, електронні гроші.

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