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PECULIARITIES OF BUSINESS ASSET MANAGEMENT

Keywords: enterprise, assets, capital, financial activity, financial policy, fixed assets, working assets, investments

The article is devoted to the generalization of theoretical aspects and practical recommendations for improving the asset management system in modern conditions. To build an effective system, the object of management — assets — is studied in detail. The approaches to understanding the essence of assets, namely value, financial and property, are singled out. The ratio of such concepts as “current assets”, “working capital” and “working capital” is studied, their common and different characteristics are determined. The current assets are grouped according to different classification features and their significance in the production process is determined. It is substantiated that the grouping of current assets is primarily of practical importance, allowing to build a clear system of accounting and analysis of the availability and movement of current assets and to form an effective system of their management by individual types. A thorough analysis of the interpretations of the concept of “asset management” available in the scientific literature has been made, and several approaches to its understanding have been identified. The conducted research made it possible to form an author's definition of the current assets management system. It is determined that the current assets management system should be based on an integrated approach, the components of which are objects and subjects of management, purpose, basic principles and functions, methods and tools of influence, formalized quantitative and qualitative criteria for achieving goals, and factors forming the operating environment of the object. The characteristic of each element of the system is given, in particular the subjects and objects of management are concretized, their interaction is considered, the purposes and tasks are outlined. It is determined that the functions of the management system are controlling, stabilizing and analytical, and the principles on which it is based — timeliness, unity, continuity, optimality and rationality. The implementation of the current assets management system involves the implementation of a number of successive measures in the form of certain stages, which are considered in the work. The proposed system of current assets management will predict the choice of management strategy of the entity in the long run and increase the overall efficiency of its operation.

Introduction. The development of market relations in Ukraine requires new approaches to economic management both at the macro level and at the level of individual enterprises. Of particular importance are the problems of creating such mechanisms for managing the finances of enter-

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prises that would meet market conditions and provide a sufficient level of solvency, liquidity, profitability. In modern conditions for most domestic enterprises a typical consequence of the crisis of their economic development was an acute shortage of the required amount of assets, which significantly affects the efficiency of their management. At the same time, the low security of manufacturing enterprises with assets is accompanied by a low level of their use. Therefore, one of the most urgent tasks in the direction of ensuring the financial stability of domestic enterprises is to significantly improve the asset management mechanism. The assets of the enterprise are a complex economic category in which most theoretical and practical issues are intertwined. Among them, the organization of effective asset management of enterprises is important. Despite the fact that in recent years, asset management is devoted to many works of scientists, the issue of their management remains quite complex in the financial management system of enterprises. Researchers' approaches are mainly reduced to the selection of methods, principles, functions, tasks, mechanisms of enterprise financial management. With regard to assets, the search for scientists is limited to substantiating certain characteristics that determine the process of managing them.

Recent research and publications review. Scientists-researchers consider the economic essence of the capital of the enterprise because of its characteristics as the main factor of production. In the general system of factors of production (capital, land, labor) capital belongs to the priority role, because it combines all factors into one production complex; capital reflects the financial resources of the enterprise invested in the economic process, giving income. In this case, it cannot act in isolation from the production factor in the form of invested capital, focusing on assets. Many scientists are engaged in the study of issues related to the system and management mechanisms at asset enterprises. The actual problems of valuation and asset management of the enterprise are devoted to the work of such economists, as I.A. Blank and L.O. Kovalenko, O.G. Kramarenko and E.G. Rysany, A.M. Poddererogin and G.O. Shrydanenko, L.G. Lipich and A.V. Rybitska, A.M. Tkachenko and O.M. Chorna, N. Shevchuk and N.Z. Shpak and others.

Main goal of publication. The modern national economy is characterized by instability and high

dynamism of the external environment. All these factors negatively affect the financial condition of the enterprise and force its managers to constantly make decisions in conditions of uncertainty. As a result, the financial aspects of the enterprise come to the fore. One such aspect is the value of the company's assets and maintaining them at a sufficient level.

The asset management system of the enterprise is an important element of increasing the efficiency of the enterprise, as the development and implementation of rational approaches to asset management provide reliable financial stability, creditworthiness, investment attractiveness of enterprises. The process of managing the assets of the enterprise is quite complex, as it involves the development of general economic strategy for its development — production, financial, investment. However, there are problems that there are no single recommendations or approaches that would help the company manage the development of assets to improve the efficiency of its activities, the production of modern high-quality competitive products, conquering new markets, innovation, and so on. This determines the relevance of the research topic.

Research main results. In carrying out economic activities, the company has at its disposal various types of property in tangible and intangible form. In economic terms, the property of the enterprise are its assets.

Assets are economic resources of the enterprise in various forms, which are used in the process of economic activity. They are formed for specific purposes of carrying out this activity in accordance with the mission and strategy of economic development of the enterprise and in the form of aggregate property values characterize the basis of its economic potential. The assets of the enterprise must correspond to the functional orientation and scope of activities of the production enterprise. Only with such compliance do they represent for the enterprise a certain value as its economic resources intended for use in the next period.

In domestic and foreign theories of financial management, there are various approaches to the definition of "assets". However, different sets of scientific terminology often have the same economic essence.

Assets are reflected in the balance sheet, provided that its valuation can be reliably determined

and it is expected to receive in the future economic benefits associated with its use [1, p. 470].

According to this definition, it should be noted that the assets of the enterprise come to the fore not as tangible assets, but their value, which is reflected in the assets of the balance sheet and leads to a certain financial result.

In modern definitions of assets there are three essential features [1, p. 471]:

- future economic benefits;
- control over access to such benefits by third parties;
- origin from past business transactions or events.

Thus, in general, in Western accounting practice, assets are defined as:

- probable future economic benefits received or controlled by a particular entity as a result of past transactions or events;
- potential profit or future economic benefits controlled by the entity as a result of past transactions or other past events;
- rights or other access to future economic benefits controlled by the entity as a result of past transactions or events;
- economic resources or source from which future economic benefits are expected to be obtained, controlled by the entity as a result of past transactions or events.

The main features of the classification of assets of the enterprise are:

1. Form of functioning of assets. On this basis, the following types of assets are distinguished:

- a) tangible assets characterize the assets of the enterprise that have a tangible (tangible) form;
- b) intangible assets characterize the assets of the enterprise that do not have a tangible form, but participate in economic activities and make a profit;
- c) financial assets characterize the various financial instruments owned or owned by the enterprise.

2. The nature of participation in the economic process and the speed of asset turnover. On this basis, the assets of the enterprise are divided into the following types:

- a) current (current) assets characterize the set of property values of the enterprise, serving the current production and commercial (operational) activities and used in full during one production and commercial cycle;
- b) non-current assets characterize the set of property values of the enterprise, which repeatedly participate in the process of economic activ-

ity and transfer to the products the value used in parts [1, p. 471].

3. The nature of service of certain activities. On this basis, the following types of assets of the enterprise are distinguished:

- a) operating assets are a set of property values that are directly used in the production and commercial activities of the enterprise in order to obtain operating profit;
- b) investment assets characterize the set of property values of the enterprise associated with the implementation of its investment activities.

4. The nature of financial sources of asset formation. According to this feature, there are the following types of assets of the enterprise:

- a) gross assets are a set of property values (assets) of the enterprise, formed at the expense of both equity and debt capital;
- b) net assets characterize the value set of property values (assets) of the enterprise, formed exclusively from its own capital [1, p. 471].

5. The nature of asset ownership. On this basis, the assets of the enterprise are divided into the following two types:

- a) own assets, which include the assets of the enterprise, which are in its permanent possession and are reflected in its balance sheet;
- b) leased assets, which include the assets of the enterprise, which are in its temporary possession in accordance with the concluded lease agreements [2, p. 25].

In international practice, each company, taking into account the nature of activities and features of technology and organization of business operations, independently decides on the division of assets into current and non-current. In Ukraine, in accordance with the national regulation (standard) of accounting 1 “General requirements for financial reporting” division of assets into current and non-current is mandatory (Fig. 1).

Optimization of the composition of non-current and current assets requires consideration of industry characteristics of operating activities, the average duration of the operating cycle in the enterprise, as well as assessment of the positive and negative features of the functioning of these types of assets. Non-current assets are all non-current assets, which include (Fig. 2.).

Non-current assets of the enterprise provide the process of production and sale of products, distribution and redistribution of newly created value at the enterprise.

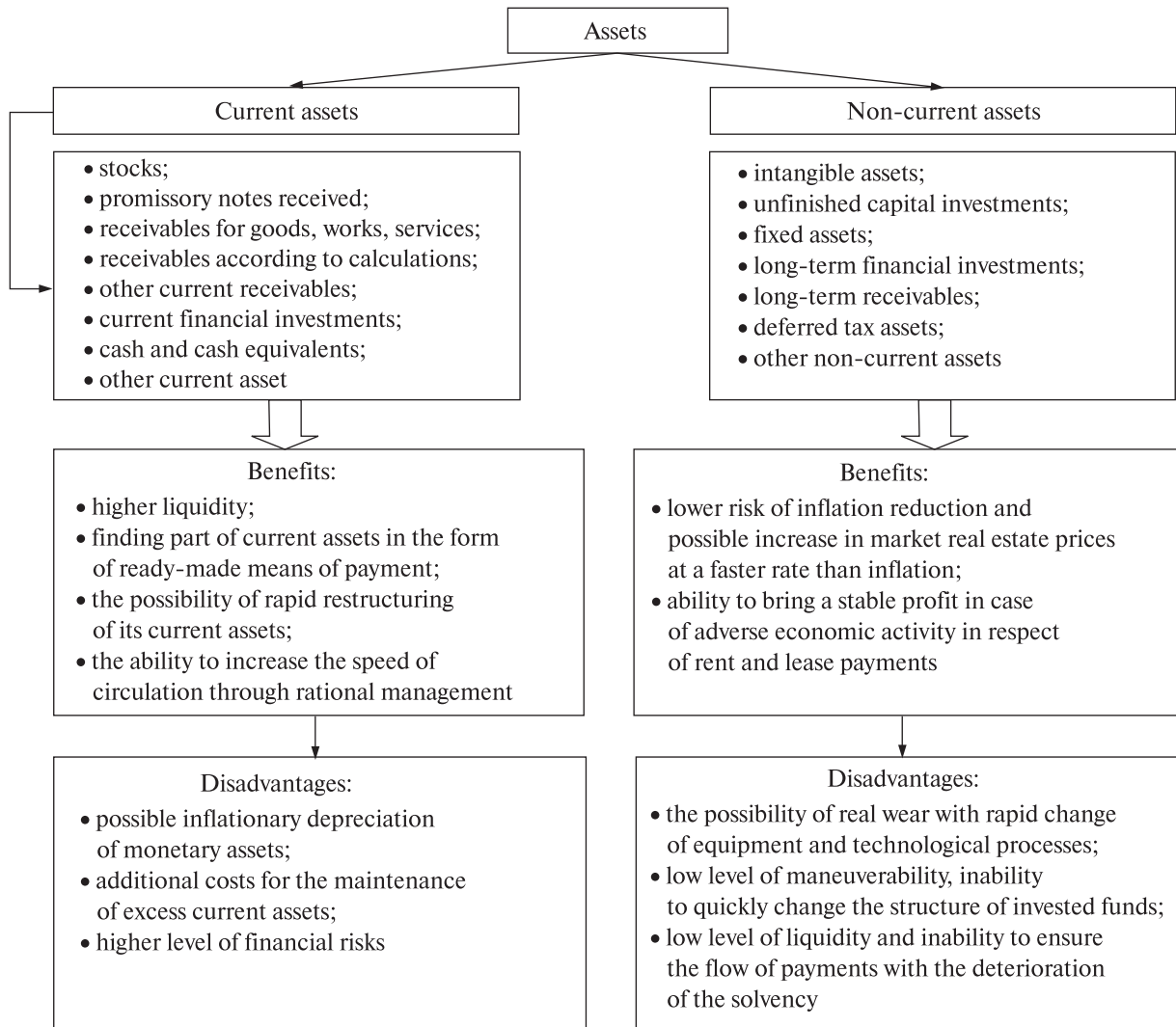


Fig. 1. The main characteristics of assets [3, p. 251]

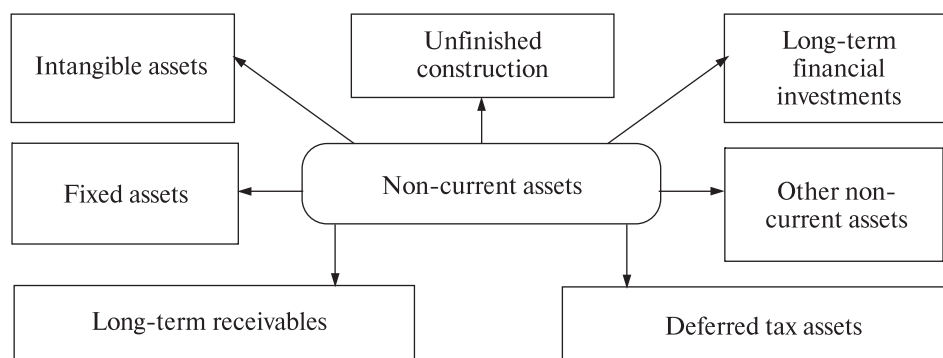


Fig. 2. The composition of non-current assets of the enterprise

Non-current assets are characterized by the following positive features:

- a) not prone to losses from inflation, ie better protected from it;
- b) less exposed to commercial risk of losses in the course of operating activities of the enterprise;

protected from illegal actions of partners in operational commercial affairs;

- c) able to generate a stable profit, ensuring the production of various types of products in accordance with the situation on the commodity market;

d) contribute to the prevention or significant reduction of losses of inventories of the enterprise in the process of their preservation;

e) have large reserves for a significant expansion of operating activities during the period of recovery of the commodity market.

At the same time, non-current assets in the process of operational use have a number of disadvantages:

a) subject to depreciation (especially the active part of fixed assets and intangible operating assets), and therefore, even when temporarily decommissioned, these types of assets lose their value [4, p. 65];

b) poorly amenable to operational management, because they are weakly variable in structure in a short period; as a result, any temporary decline in the commodity market leads to a decrease in the level of their useful use, if the company does not switch to the production of other products;

c) mainly belong to the group of illiquid assets and can not serve as a means of ensuring the flow of payments that serve the operating activities of the enterprise.

Current assets – money and cash equivalents that are not restricted in use, as well as other assets intended for sale or consumption during the operating cycle or within twelve months from the balance sheet date.

As part of current (current) assets of the enterprise are the following elements: production stocks of raw materials and semi-finished products; stocks of low-value and perishable items; volume of work in progress; stocks of finished products intended for sale; receivables; monetary assets in national currency; monetary assets in foreign currency; short-term financial investments; future expenses.

Current assets are characterized by the following positive features:

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TABLE 2. Technical equipment of JSC “Kharkivoblenergo” as of December 31, 2019

№	Name of equipment	High-voltage	Number
1.	Substations, units	35-150 kV	288
		150 kV	1
		110 kV	92
		35 kV	195
		6-10 kV	10877
2.	Power transformers, units	Total	13443
		150 kV	1
		110 kV	172
		35 kV	333
		6-10 kV	12937
3.	Power lines (on the route / in circles), km	Total 0,4-150 kV	46968/48165
		0,4-150 kV	39648/40845
		150 kV	17/17
		110 kV	2653/3523
		35 kV	3177/3465
		10 kV	13226/13242
		6 kV	1027/1033
		0,4 kV	19548/19565
		0,4-35 kV	7320
		35 kV	6
4.	Power of power transformers, MBA	Total	8417,655
		150 kV	247
		110 kV	3896.3
		35 kV	994.4
		6-10 kV	3279.955
5.	Total power supply area – territory of Kharkiv region		31.4 thousand square meters. km

Source: calculated by the author on the basis of financial statements of JSC “Kharkivoblenergo”.

TABLE 1. General characteristics of electric networks of JSC “Kharkivoblenergo” as of 31.12.2019

Total length of overhead power lines (along the route)	39 648 km
The total length of cable transmission lines	7320 km
Number of substations with voltage of 35-150 kV	288 units
Number of substations with voltage of 6-10 / 0.4 kV	10 877 units
The total number of transformers with a voltage of 3-150 kV	13 443 units
including voltage classes: 6-10 kV	12 937 units
35 kV	333 units
110-150 kV	173 units
The total capacity of transformers with a voltage of 3-150 kV	8417,655 MBA
including voltage classes: 6-10 kV	3279,955 MBA
35 kV	994,4 MBA
110-150 kV	4143,3 MBA
The total number of switches located on objects of electric networks with a voltage of 3-150 kV	7618 units

a) a high degree of structural transformation, as a result of which they can easily be transformed from one species to another in the regulation of commodity and cash flows in the operating process;

b) greater adaptation to changes in commodity and financial markets: they are easily subject to change in the process of diversification of operating activities of the enterprise;

c) high liquidity; if necessary, a significant part of them can be converted into cash assets required for the current maintenance of operating activities in its new variations;

d) ease of management; the main management decisions related to their turnover are implemented in a short period of time [1, p. 471].

Thus, the assets of the enterprise — a set of property values used by the enterprise for economic benefits in the future, characterized by the impact on their use of factors of time, risk and liquidity, reflect investment decisions in the enterprise and certain ownership relations, and formed by various sources.

On the example of JSC “Kharkivoblenergo” we will consider the technical — organizational characteristics and basis of the assets of the enterprise as a subject of the energy market of Ukraine. Joint-stock company “Kharkivoblenergo” is a legal entity registered on March 22, 2000 (date of first registration). Organizational and legal form — a joint stock company. Legal address: 61037, Kharkiv, Kominternivskiyi district, street Plekhanovskaya, bldg. 149 [5]. The main assets of JSC “Kharkivoblenergo” are the system of electrical networks, the characteristics of which are given in table 1.

Source: calculated by the author on the basis of financial statements of JSC “Kharkivoblenergo”.

Also, for a more detailed description of the main assets of the enterprise, we give a description of the technical equipment of JSC “Kharkivoblenergo” for 2019 (Table 2) [5].

The importance of indicators of business activity and profitability demonstrate the effectiveness of management of existing assets of the enterprise, as well as directly affect its profitability. Therefore, in Table 3 we present a summary analysis of profitability and business activity of JSC “Kharkivoblenergo” for 2016-2019 [6].

Return on assets is an indicator of profitability, which shows how much profit each hryvnia brings to the company’s assets. From 2016 to 2018, this ratio decreased by 98%, so the company began to use its assets inefficiently, but in 2019 the figure improved slightly by 0.0002 to the desired result is still far away, but the process went up. The ratio of current assets shows how much net proceeds from sales per unit of funds invested in assets. At this stage, the value of the indicator decreased to 1.11.

The turnover ratio of receivables for 4 years decreased by 4.67. The accounts payable ratio also decreased significantly during the analyzed period by 6.28. These ratios should increase, not decrease, because they show how many times the revenue exceeds the average annual receivables and payables. This means that the company’s debt is growing.

As a result of the analysis of the use of assets in JSC “Kharkivoblenergo” it was found that the main problem for the company is the repayment of receivables and payables. Accordingly, further

TABLE 3. Analysis of the level of profitability and business activity of JSC “Kharkivoblenergo” for 2016-2019

Indexes	2016	2017	2018	2019
Return on assets (ROA)	-0.028	0.00667	0.000044	0.000201
Return on equity	-0.039	0.00974	0.000066	0.00029
Profitability ratio	-0.015	0.00390	0.000028	0.00045
Product profitability ratio	0.038	0.03084	0.048408	-0.0467
Current Assets Ratio (RCA)	5.261	4.44	3.87	1.11
Receivables turnover ratio	6.139	4.95	4.34	1.23
Accounts payable turnover ratio	8.134	6.50	5.68	1.85
Inventory turnover ratio	-222.727	-224.73	-184.15	62.67
Fixed assets turnover ratio	3.071	2.81	2.66	0.76
Equity turnover ratio	2.644	2.49	2.35	0.65

Source: calculated by the author on the basis of financial statements of JSC “Kharkivoblenergo”.

more detailed study of the financial activity of JSC “Kharkivoblenergo” is necessary, first of all — the structure and sources of current and non-current assets.

Conclusion. One of the most important problems facing the company, regardless of its form of ownership, is the management of enterprise assets in order to ensure high efficiency. The company’s management faces a number of tasks, the priority of which is the use of such methods of enterprise asset management that will ensure maximum profit, namely the construction of optimal structure and composition of assets, analysis of their use, liquidity assessment of existing assets and more. To find ways and directions to improve methods of asset management, according to the author, it is necessary to study in detail the essence of assets, tasks and methods of their management, in particular, special attention should be paid to the advantages and disadvantages of these methods. In conditions of high competition, each company must constantly improve methods of managing the assets of the enterprise. Assets are resources that are available to the company and the use of which leads to increased economic benefits in the future. Improving asset management methods is one of the most important factors in ensuring high stability of the enterprise, its financial stability, liquidity and profitability of its activities. When managing assets, each company uses a certain policy. Asset management policy is a component of the company’s financial policy.

There are the following types of asset management policies: asset management tactics related to the optimization of current assets: restrictive and flexible; asset management strategy depending on the sources of financing of the variable

part of current assets: ideal, aggressive, conservative, compromise. It is expedient to assess the effectiveness of the company’s asset development strategy according to the following parameters: consistency of the strategy with the external environment (in the process of such assessment it is determined to what extent the developed management strategy corresponds to the forecasted changes in the country’s economy); internal balance of the strategy (in the process of such evaluation it is determined to what extent the individual strategic goals and policies of effective management, as well as measures to ensure the implementation of the strategy. implementation of the strategy taking into account the available resource potential of the enterprise (in the process of such assessment first of all the potential possibilities of the enterprise in formation of financial resources at the expense of own sources for maintenance of all planned directions of its development are considered); acceptability of the level of risks associated with the implementation of the strategy (transition to a new quality and growth of activity is accompanied mainly by an increase in all major economic risks, especially financial and investment. positions of their possible negative financial consequences); effectiveness of the strategy (evaluation of the effectiveness of the strategy is based primarily on determining the economic efficiency of its implementation. At the same time evaluates the non-economic results achieved in the implementation of this strategy. Thus, improving asset management methods requires proper asset management should include forecasting the latter, studying deviations from planned indicators and finding ways to improve their efficiency.

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ОСОБЛИВОСТІ УПРАВЛІННЯ АКТИВАМИ СУБ'ЄКТІВ ГОСПОДАРЮВАННЯ

Узагальнено теоретичні аспекти та практичні рекомендації щодо вдосконалення системи управління активами в сучасних умовах. Для побудови ефективної системи детально вивчено об'єкт управління — активи. Виокремлено підходи до розуміння сутності активів, а саме вартості, фінансових та майнових активів. Розглянуто співвідношення таких понять як «оборотні активи», «оборотний капітал», визначено їхні характеристики. Оборотні активи згруповано за різними класифікаційними ознаками, визначено їхнє значення у виробничому процесі. Обґрунтовано, що групування оборотних активів насамперед має практичне значення, що допомагає побудувати чітку систему обліку й аналізу наявності та руху оборотних активів і сформувати ефективну систему управління ними за окремими видами. Здійснено ретельний аналіз наявних у науковій літературі тлумачень поняття «управління активами» та визначено кілька підходів до його розуміння. Проведене дослідження дало змогу сформувати авторське бачення системи управління поточними активами. Визначено, що система управління поточними активами повинна базуватися на інтегрованому підході, компонентами якого є об'єкти та суб'єкти управління, мета, основні принципи та функції, методи та інструменти впливу, формалізовані кількісні та якісні критерії досягнення цілей, та фактори, що формують робоче середовище об'єкта. Надано характеристику кожному елементу системи, зокрема конкретизуються суб'єкти та об'єкти управління, розглядається їхня взаємодія, окреслюються цілі та завдання. Визначено, що функціями системи управління є контролювальна, стабілізуюча та аналітична, а принципи, на яких вона базується, — своєчасність, єдність, безперервність, оптимальність і раціональність. Упровадження системи управління оборотними активами передбачає здійснення послідовних заходів у вигляді певних етапів, які розглядаються в роботі. Запропонована система управління оборотними активами передбачить вибір стратегії управління суб'єктом господарювання в довгостроковій перспективі та підвищить загальну ефективність його функціонування.

Ключові слова: підприємство, активи, капітал, фінансова діяльність, фінансова політика, основні засоби, оборотні кошти, інвестиції.