

PROBLEMS RELATED TO THE SUPPLY OF INVENTORIES AND DIRECTIONS FOR THEIR ELIMINATION

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ABSTRACT

This article examines the problems associated with the supply of inventories. As a result of the research, proposals were developed to improve the supply of inventories.

Keywords: *inventory, goods, asset, balance sheet, warehouse, supply process.*

INTRODUCTION

Rapid development of production in the economy and extensive use of local raw material resources, rational use of stock, creation of an effective system of their accounting is necessary.

The existence of society and its development are directly related to the consumption and use of various resources that become consumer goods in order to satisfy the needs of society members. Therefore, society must meet its needs with a certain amount of resources.

LITERATURE REVIEW

R.Amit and P.Shouymaker stated that “resources are assets or factors that exist in the firm or are under its control, in tangible and intangible form. Resources include financial and material assets, know-how, and human capital” [1].

According to the American economist D. A. Dilts, resources are of the following categories:

“land;

capital;

workforce;
entrepreneurial ability” [2].

H. Gaya stated that “resources are assets used in the company’s production process, they consist of equipment, material reserves, skills of employees and other factors” [3].

L.J. Abu Bakar and Kh.Ahmad “resources are considered production assets of the firm, with the help of which activities are carried out. They also turn into final products and services as tangible assets, human capital and other intangible assets” [4].

According to another group of economists, “firm resources are total assets, which include tangible and intangible resources at the firm’s disposal, organizational processes, firm attributes, knowledge and skills” [5].

R.T. Husayn and A. Vahid say that “economic resources include all assets, abilities, information, knowledge” [6].

According to K. Toma and K. Barbara, “material resources consist of material assets, which include land, buildings, raw materials, energy and other important resources” [7].

A group of Spanish economists defines material resources as follows: “material resources are tangible assets owned by the firm and used in its economic activity” [8].

Based on the above, in our opinion, resources are the amount of all assets owned by the entity that are necessary in the process of production, work and service. We can include natural resources, manpower resources, capital, entrepreneurial ability in the resources at the disposal of an economic entity.

ANALYSIS AND RESULTS

It should be noted that in generalizing the opinions about the economic nature of inventories, in most cases the authors showed that they followed the traditional expression of the definition presented in national and international standards.

Inventories are material assets consumed in the production process, and their value is fully transferred to the value of finished products. They occupy the largest share in the cost structure and have a significant impact on financial results.

Inventories occupy an important place in the structure of assets. includes the following features:

inventory has a certain composition;

Inventories are classified according to various criteria:

Inventories have a specific valuation feature:

Inventories are informative.

In all economic entities in the economic sectors, inventories are used in production and other economic processes, including raw materials and materials, fuel, farm equipment and inventories, etc.

In order for business entities to operate effectively, it is necessary to ensure a well-thought-out stock management policy, which includes 5 stages.

At the initial stage of researching production reserves, their dynamics for a certain period are studied, their weight in the volume of current assets is calculated.

In the second stage, the composition and structure of inventory is analyzed by comparing the indicators of the base and reporting period. The structural analysis shows the weight of all reserve types in their total value, as well as their share in current assets. Horizontal and vertical analysis is used in the study of asset structure.

In the third stage, the indicators for evaluating the efficiency of the use of inventory are calculated. Such indicators include the following: stock turnover, material return, material capacity, the company's stock availability, stock profitability, etc. Factor analysis, which is an important part of inventory management, allows determining the influence of external and internal factors on the formation and movement of production stocks:

- influence of suppliers. These include non-compliance with the terms of delivery of materials, violation of the terms of the contract;
- the impact of buyers, which is reflected in the change in the volume of demand.

Internal factors include factors that describe the impact of the production environment in the organization. This group of factors includes lack of motivation and professional training of personnel, improper planning of the need for material resources, equipping with modern equipment for storing goods, etc. enter.

At the final stage, it is necessary to develop effective mechanisms for controlling the level of inventory. A study of the opinions of economists showed that there are a number of problems related to the supply of goods (Figure 1).

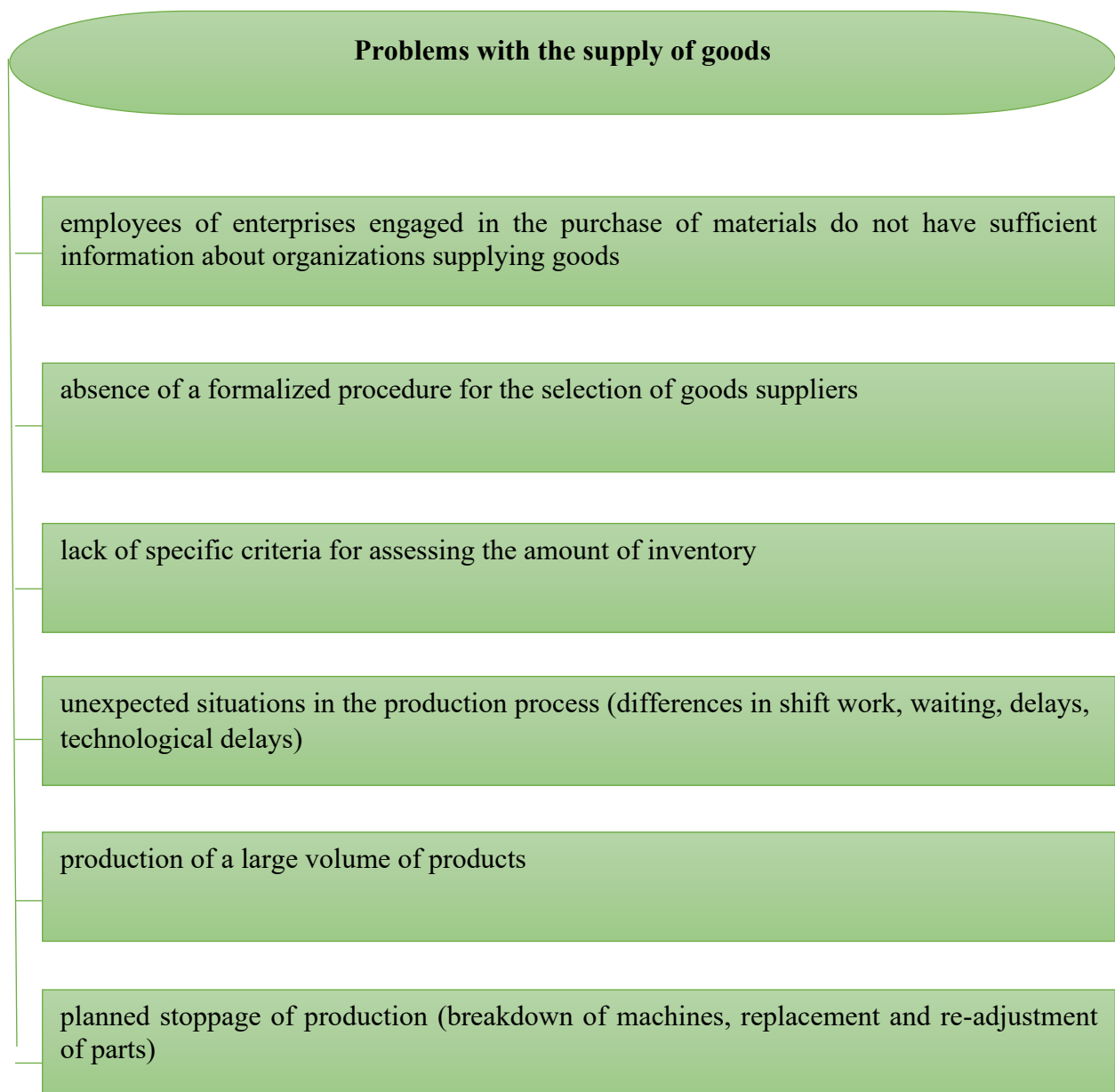


Figure 1. The main problems related to the supply of goods ¹

The study of inventory formation problems showed that many enterprises do not use existing methods of inventory planning and control, and also do not always use inventory management performance indicators. These indicators describe the number of stock turnovers for the analyzed period, whether the enterprise is provided with reserves, in addition, the indicators can determine the excess of working capital. Analysis of the amount of reserves allows to determine the relationship between the availability of reserves and own working capital.

In particular, an increase in the volume of reserves leads to a decrease in the source of own funds of the economic entity. As a result, there is an increase in short-term debt. At the same time, stock turnover rates deteriorate, resulting in inefficient use of resources. In the future, this may lead to a significantly higher than normal increase in excess reserves. Therefore, first of all, it is necessary to identify deviations in warehouse management in a timely manner, as well as to regularly analyze the indicators of resource provision of the enterprise.

CONCLUSION

1. Inventories play an important role in the production and economic activity of economic entities. This category of assets constitutes a significant weight in the cost of manufactured goods. In order to reduce the cost of manufactured products, it is important to set up inventory accounting and auditing correctly.

2. Today, the increase in the price of resources all over the world requires the rational use of stock from economic entities. Especially now, the increase in the value of fuel, grain, vegetable oil, sugar and other goods in the world market requires economic entities to pay special attention to the supply of material reserves. It is considered important to prevent shortages in grain processing enterprises, which are the object of the study, in order to prevent interruptions in the processing of grain and the production of flour products. Inventory accounting and auditing play a role in the proper implementation of these processes. That is, due to the reliable and quick

¹ Made by author

information of accounting and auditing, economic entities can have sufficient inventory and ensure the stability of the activity.

3. Many regulatory legal documents have been developed regarding the organization of inventory accounting. However, in the context of current economic development and globalization, it is necessary to widely apply international standards of financial reporting. The standards adopted by the International Federation of Accountants specify methodological aspects of inventory accounting and disclosure of information about them. In our opinion, it is appropriate to widely use these standards in keeping accounts of inventories and preparing financial reports in joint-stock companies.

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