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THEORETICAL PRINCIPLES OF BUDGETING AS A METHOD OF ECONOMIC MANAGEMENT OF ENTERPRISE'S ACTIVITY

The paper is devoted to the study of the theoretical foundations of budgeting as a method of economic management of the enterprise. It has been proven that in modern conditions, budgeting is aimed at increasing the efficiency of its activities in the current period and in the future. There are considered modern approaches to the interpretation of the budget and the budgeting process at the enterprise. The analysis of various literary sources regarding the definition of the concept of "budgeting" was carried out. Various approaches to revealing the economic essence of the concept of budgeting have been identified. It was found that disagreements related to the interpretation of the term budgeting system by scientists lead to differences in the identification of its functions.

The following approaches to the interpretation of the essence of the budgeting process are distinguished: budgeting as a tool for planning the enterprise's activities; budgeting as a tool for operational and tactical planning; budgeting as a management method; budgeting as a management technology.

Also, there are considered the economic essence of budgeting as a method of economic management of the enterprise's activities, aimed at forming a system of budgets for all areas of its activity. The task of budgeting is systematized, the elements of the budget system infrastructure at the enterprise are presented. A sequence of stages in the formation of the budget system aimed at optimizing the economic management of the enterprise is proposed. A sequence of stages in the formation of the budget system aimed at optimizing the economic management of the enterprise is proposed.

On the basis of the conducted research, a modern conceptual approach to the definition of the concept of "budgeting system" was formed.

Keywords: budget, budgeting, budgeting system, planning, management, enterprise, accounting

INTRODUCTION

In modern economic conditions, enterprises face the important task of optimizing the economic management of the enterprise's activities. Budgeting as a management method allows you to solve operational and strategic planning tasks, coordinate company plans, assess trends and form development forecasts. The development of the budget system allows you to monitor and analyze the indicators of the enterprise's activity in all directions, provides the appropriate quantitative information for the process of making management decisions, and contributes to increasing the efficiency of the enterprise's management system.

The problems of budgeting organization at the enterprise were studied by leading domestic and foreign scientists: M.V. Gunchenko, I.E. Davydovych, S.O. Dzhereleyko, S.Ya. Yeletskih, T.P. Karpov, R.S. Kvasnytska, O.E. Kuzmin, O.L. Lisovska, I.A. Markina, N.M. Mykhailychenko, N.V. Naumova, V.A. Pankov, V.P. Savchuk, O.M. Taran-Lala, S.V. Usherenko et al.

In the scientific works of these scientists, the economic essence and types of budgets were investigated, the role of budgeting in the organization of the enterprise was characterized, the principles of budgeting, methods and techniques of the budget process were given.

The development of theoretical research, the intensification of competition among Western industrial enterprises led to the formation of a system of budgets covering all aspects of economic activity. Currently, budgeting is widely used in global business practice.

The basic principles and methods of budgeting were developed back in 1920 at the American industrial giants – the DuPont and General Motors corporations. The goals

of budgeting at that time were the coordination of the activities of structural divisions and control over the internal distribution of capital. The ideas of budgeting in the countries of Western Europe, the USA, and Japan gained considerable popularity in the 60s of the XX century.

The following foreign scientists made a significant contribution to the development of the theoretical and applied principles of the budgeting system at the enterprise: J.G. Siegel, J. Foster, D. Khan, C. Hornegen, and others. Scientists consider the budget-forming process at the enterprise in different ways. Their approaches to the interpretation of the essence of budgeting and the classification of budgets are also different, but they have in common the recognition of the need for budgeting and its importance in the processes of the operation and development of the enterprise.

The **PURPOSE** of the paper is to investigate approaches to determining the essence of budgeting, its functions and principles, as well as problems that should be taken into account when implementing and improving budgeting at domestic enterprises.

MATERIALS AND METHODS

The methodological and informational basis of the work are normative acts of Ukraine, scientific works, monographs, dissertations, materials of periodicals, Internet resources. The methodological and theoretical basis of the study of the essence of budgeting was the scientific provisions of economic theory, the works of domestic and foreign scientists of the chosen topic.

RESULTS

The conducted research showed that in modern conditions there is no single view on the essence of the

budget and the budgeting process. A budget can be considered as a plan of future operations expressed in quantitative (mostly monetary) measures, it is a financial, quantified expression of the marketing and production plans necessary to achieve the established goal [5].

Budgets are plans of activities of enterprises or divisions in quantitative terms [2], at the same time, budgets cover all areas of financial and economic activity of enterprises, namely supply, production and sale of products, management, investment activities, etc.

In the opinion of different authors, budgeting is an integral part of financial planning, the results of which are formalized by a system of budgets agreed by the areas of activity and divisions of the enterprise [1].

Budgeting is the process of planning the future activity of an enterprise, the results of which are formalized by the system of budgets, while budgeting is used mainly within operational planning.

In work [3] it was noted that budgeting is a continuous process of drawing up and adjusting enterprise budgets on the basis of interrelated forecast calculations, which determine receipts and expenditures, income and expenses, profits and losses, as well as control and evaluation of the implementation of budgets. This contributes to the effective management of financial resources and harmonizes the main components of the enterprise's activities – finance, supply, production, sales with the aim of achieving certain financial results [3].

Some authors consider budgeting as a process of developing optimal directions for the use of revenues and the formation of costs of the enterprise in the course of its financial and economic activities and calculated for a certain period, i.e. it is a process of planning the future operations of the enterprise and drawing up its results in the form of a system of budgets [4].

Many authors consider budgeting as a tool for implementing operational and tactical planning using sets of target indicators in quantitative terms [5].

I.E. Davydovych considers budgeting as a management method, which during its cycle performs the functions of planning the activities of the enterprise and its divisions, control and analysis, making adjustments, final approval, etc. [2]. A similar view is presented in the pap.

Thus, in modern conditions, the following approaches to the interpretation of the essence of the budgeting process can be singled out:

- budgeting as a tool for planning the company's activities;
- budgeting as a tool for operational and tactical planning;
- budgeting as a management method;
- budgeting as a management technology.

In our opinion, budgeting is a method of economic management of the company's activities aimed at forming a system of budgets that covers all areas of the company's activities and is aimed at increasing the efficiency of its activities in the current period and in the future.

"Management accounting" and "budgeting" intersect in the area of information accounting. After all, the actual data, which are collected and grouped according to the management accounting systems operating at the enterprise, serve as a basis for drawing up budgets. At the same time, actual data obtained by management account-

ing and budget indicators when comparing them are also in the field of controlling activities. In this plane, the task of controlling is to compare planned and actual indicators. The controlling function is important for budgeting, it consists in identifying signal deviations that will direct managers to implement corrective measures so that budgets are fulfilled and the specified goals are achieved. Management accounting, budgeting, controlling focus attention on related areas of management activity (planning, accounting, control) and are aimed at creating prerequisites for effective decision-making, reduce risks, providing opportunities to implement development strategies and achieve defined goals.

According to the third approach, budgeting is considered as a management technology.

Any management technology is understood as a set of methods for processing management information for the purpose of making, fixing and implementing management decisions.

Budgeting is characterized by the following main features of management technology:

- a significant amount of information is processed during budgeting;
- as a result of the analysis of the available information, decisions are made, which are presented in the form of planned budget indicators;
- implementation of budgets involves the implementation of previously adopted management decisions;
- budgeting involves fixing both planned and reported budget indicators.

Defining budgeting as a management technology, the authors emphasize differently: some focus on the responsibilities of managers at different levels of management, others on certain functions of budgeting, on the possibilities of budgeting.

Any management technology represents a certain system of sequentially implemented actions in the field of management (operations, stages of work), which, in our opinion, are all characteristic of the budgeting process as well.

At the first stage, it is necessary to determine the purpose, collect and process information, which may be different in terms of sources of origin and form of origin.

At the second stage, decisions are made, which requires highly qualified management personnel, the ability to choose the best/optimal decision option.

The third stage involves organizing the implementation of decisions. It will include the development of a plan for the implementation of the decision, determination of the terms of execution of operations, appointment of responsible persons, etc.

The fourth stage of work is related to the organization of accounting and control over the implementation of decisions. All these groups of operations can be detailed.

Budgeting as a management technology involves the implementation, in our opinion, of the following functions: analytical, organizational, motivational, control-corrective, planning-prognostic.

The analytical function of budgeting consists in the analysis and evaluation of indicators and events, alternative options for the development of the enterprise.

The organizational function acquires an important role when considering budgeting as a management technology. Its implementation involves streamlining the

organizational structure of the enterprise, ensuring comprehensiveness and systematicity in the use of resource flows. Also, this function consists in coordinating the activities of executors and units to achieve the set goals and budgets; search for compromises; fixing the responsibility of the executors (that is, the coordination and communication component without distinguishing the coordination and communication functions as such).

The motivational function is that the processes of budgeting, development and execution of budgets at the enterprise are carried out by the employees of the enterprise. Lack of interest of the staff in the implementation of budgets can nullify all the advantages of budgeting as a management technique, therefore the process of budgeting and ensuring the achievement of specified results should be combined with incentives.

The control and corrective function of budgeting, in our opinion, must be considered in relation to each other. Control involves checking the compliance of actual characteristics (indicators, processes, activities, object of control) with established indicators (requirements, restrictions). However, the detection of deviations of the actual indicators from the planned ones without an appropriate reaction will only be a statement of fact. And the implementation of the correction function involves making the necessary corrections if necessary.

The planning and forecasting function consists in the fact that budgeting provides, first of all, the planning and coordination of expenses and income for the enterprise, division, process. When understanding budgeting in a broader sense, this function is considered in the sense of clarifying and detailing strategic plans. The function of planning and forecasting is implemented primarily on the

basis of analytical. The prognostic component is in close interaction with the planning component, because multivariate forecasts are made using the results of the analyzes. The predictive component gives budgeting greater importance in the management process.

It is worth emphasizing that the budgeting system does not replace the management system, but is only an enterprise management technology, can be an effective auxiliary tool in the implementation of the development strategy.

CONCLUSIONS

Therefore, the result of the effective organization of the budgeting system at the enterprise is the prompt adoption of justified management decisions, the improvement of the effectiveness of the functioning of the enterprise as a whole.

In the process of researching the essence of the concept of "budgeting", the approaches to its interpretation were summarized: within the framework of the planning system at the enterprise; budgeting within management accounting or controlling; budgeting as a management technology (at the same time, it is noted that researchers focus on various aspects of budgeting).

It was determined that budgeting is a management technology – a system of consistently implemented actions with the aim of implementing the company's development strategy, achieving the company's goals through the implementation of budgeting functions, using effective / optimal methods, adhering to the principles of budgeting.

The functions and principles of budgeting are defined and substantiated, as well as problems that should be taken into account when implementing and improving budgeting at domestic enterprises.

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ТЕОРЕТИЧНІ ЗАСАДИ БЮДЖЕТУВАННЯ ЯК МЕТОДУ ЕКОНОМІЧНОГО УПРАВЛІННЯ ДІЯЛЬНІСТЮ ПІДПРИЄМСТВА

Статтю присвячено дослідженню теоретичних основ бюджетування як методу економічного управління діяльністю підприємства. Доведено, що в сучасних умовах бюджетування спрямовано на підвищення ефективності його діяльності в поточному періоді та у перспективі. Розглянуто сучасні підходи до трактування бюджету та процесу бюджетування на підприємстві. Проведено аналіз різних літературних джерел стосовно визначення поняття «бюджетування». Виявлено різні підходи до розкриття економічної сутності поняття бюджетування. Виявлено, що розбіжності, пов'язані з трактуванням науковцями терміну «система бюджетування», призводять до відмінностей у виокремленні її функцій.

Виокремлено такі підходи до трактування сутності процесу бюджетування: бюджетування як інструмент планування діяльності підприємства; бюджетування як інструмент реалізації оперативного і тактичного планування; бюджетування як метод управління; бюджетування як управлінська технологія.

Розглянуто економічну сутність бюджетування як методу економічного управління діяльністю підприємства, спрямованого на формування системи бюджетів за всіма напрямками його діяльності. Розглянуто систему бюджетування як сукупність бюджетів підприємства та методів їх розроблення та реалізації. Систематизовано завдання бюджетування, подано елементи інфраструктури бюджетної системи на підприємстві. Запропоновано послідовність етапів формування бюджетної системи, спрямованої на оптимізацію економічного управління підприємством.

Узагальнено підходи до трактування сутності бюджетування. Надано авторське визначення бюджетування. Визначено та обґрунтовано функції та принципи бюджетування, а також проблеми, які варто врахувати у впровадженні та вдосконаленні бюджетування на вітчизняних підприємствах.

На основі проведеного дослідження сформовано сучасний концептуальний підхід до визначення поняття «система бюджетування».

Ключові слова: бюджет, бюджетування, система бюджетування, планування, управління, підприємство, облік