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FORMATION OF THE MECHANISM OF ASSESSMENT OF OPERATION OF MACHINE-BUILDING ENTERPRISES IN BUDGETING

The main objective of evaluation of basic operations is the interpretation of the current situation of the company, taking into account changes in the external and internal environment and their impact on the organization as well as identification of key competitive advantage they can obtain in the future as a result of the involved processes. The use of financial indicators in the assessment of basic operations is determined by their convenience and comparability to determine the strengths and weaknesses of selected components of strategic development options.

The process of effective functioning of management system requires qualitative information about the impact of various factors on the production and marketing not only for the purposes of planning and control of production indicators, but also for forecasting market size, market share of the company, the

price and structure of realization. Creation of adequate factorial model of estimation, using it to predict economic situations, quality information support of factor analysis of already existing and future results of operations of basic engineering companies allow making timely and informed management decisions to minimize the negative impact of internal and external business environment.

The confirmation of the expediency of operating costs should be based on the ratio of growth rate and the growth rate of proceeds (revenue generated by operation). At the same time, the pace of revenue growth should be more rapid because costs will be justified in cases where they are covered by revenues.

The authors proposed procedure to determine the validity of the actual cost of production and sales. It can be argued that under the influence

of objective factors absolute value of the cost usually increases in terms of output growth, inflation, changes in governmental policies regarding positioning, advertising products, development of new species. This can lead to a dramatic increase in future expenditure component of the business, but the justification of such growth will be ensured by implementation of the proposed methods of analysis.