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KYIV NATIONAL ECONOMIC UNIVERSITY
named after VADYM HETMAN**

Institute of Business Education

Department of International Management

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Educational and Professional Program 8M10i « Business Administration ((general) »

External Form of Education

MASTER THESIS

Title

**Developing Enterprise Cost Management System (on the basis of “GALARG”
LLC)**

By

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Academic Supervisor

Doctor of Economic Sciences

(Scientific degree, academic status)

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**Master Thesis has been approved for defense at
Attestation Examination Commission (EC)**

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**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
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MASTER DEGREE PROGRAM	«BUSINESS ADMINISTRATION (GENERAL)»
BRANCH OF KNOWLEDGE	07 Management and administration
SPECIALTY	073 «Management »
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AGREED

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higher education seeker Andrii Shlapak
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Extramural studies

Master Thesis

Title: **Developing Enterprise Cost Management System (on the basis of
“GALARG” LLC)**

The title of the Master's thesis has been approved by the Rector's Order “16”12.2021 № 1903-cr
**Master Thesis is based on
(GALARG LLC)**

**Preliminary plan of Master Thesis and the terms of its submission to the Academic
Supervisor**

**Chapter 1 THEORETICAL AND METHODOLOGICAL PRINCIPLES OF COST
MANAGEMENT AT THE ENTERPRISE**

(Title, deadline – up to 24.01.22)

Chapter 2 COST MANAGEMENT DIAGNOSTICS GALARG LLC

(Title, deadline – up to 21.02.22)

**Chapter 3 FORMATION OF COST MANAGEMENT SYSTEM OF GALARG
LLC**

(Title, deadline – up to 21.03.22)

Deadline for submitting the final version of Master's Thesis to the Academic Supervisor (
Deadline - 16.05.22)

Object of research:	the cost management processes of the enterprise
Subject of research:	set of theoretical, methodological and applied aspects of cost management in modern conditions of the enterprise
The purpose of the Thesis:	on the basis of mastering the conceptual and methodological foundations of cost management theory to form a cost management system of Galarg LLC taking into account the specifics of functioning in today's business environment

Specific tasks seeker has to accomplish to meet the objective:

In Chapter 1

Characterize costs as an object of management in the enterprise. Present the classification of costs according to different classification criteria. Argue the author's position on the definition of the category of "cost management". Investigate scientific approaches to the formation of a cost management system. Make the characteristics of the individual components of such a system. Analyze and identify the advantages and disadvantages of cost management methods described in scientific sources.

In Chapter 2

Describe the business activities of Galarg LLC. Identify the strengths and weaknesses of business development, threats and prospects of Galarg LLC in the Ukrainian transportation market. Evaluate the effectiveness of business management according to financial and economic criteria. Make a management cost analysis of Galarg LLC based on the use of various analytical tools.

In Chapter 3

Develop organizational and methodological aspects of the cost management system of Galarg LLC, taking into account the scale of business expansion. Economically justify the feasibility of implementing the developed cost management system in different ways. Determine the organizational and social consequences of the implementation of the cost management system of Galarg LLC.

The task has been set
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The task has been given to
seeker _____
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ABSTRACT

Master's thesis for a master's degree on "DEVELOPING ENTERPRISE COST MANAGEMENT SYSTEM (ON THE BASIS OF «GALARG» LLC)" contains 88 pages, 19 tables, 29 figures. The list of references includes 55 items and 1 Appendixes.

The object of the research is the cost management processes of the enterprise.

The subject of the research is a set of theoretical, methodological and applied aspects of cost management in modern conditions of the enterprise.

The purpose of the Thesis The purpose of the master's qualification work is: on the basis of mastering the conceptual and methodological foundations of cost management theory to form a cost management system of Galarg LLC taking into account the specifics of functioning in today's business environment.

The tasks of the work are:

1. explore the managerial nature of enterprise costs;
2. systematize and analyze the conceptual foundations of enterprise cost management;
3. identify the advantages and disadvantages of cost management methods of the enterprise;
4. to characterize the business activities of Galarg LLC;
5. evaluate the financial and economic effectiveness of the development management of Galarg LLC;
6. make a management analysis of the costs of Galarg LLC in 2019 - 2021;
7. - to develop organizational and methodological aspects of forming the cost management system of Galarg LLC;
8. economically justify the feasibility of implementing the developed cost management system of Galarg LLC;
9. - determine the organizational and social consequences of the implementation of the cost management system of Galarg LLC.

The information base of the research is formed by normative and legislative acts of Ukraine, scientific works (monographs, scientific articles in periodicals, abstracts of dissertations, etc.) of domestic and foreign scientists, information from open sources on the Internet, financial and management reporting of Galarg LLC.

According to the results of the study practical significance of this work is to develop a concept of cost management Galarg LLC and justify possible ways to implement it, taking into account the specifics of the modern business environment.

The results obtained can be used in process of steady enterprise development, improving sustainability of the business and increasing of profitability.

Year of thesis completion - 2022

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РЕЦЕНЗІЯ

на кваліфікаційну магістерську роботу на тему
**«Формування системи управління витратами підприємства
(на прикладі ТОВ «ГАЛАРГ»)»**

студена науково-навчального Інституту бізнес-освіти
ДВНЗ «КНЕУ імені Вадима Гетьмана»

ОПП «Бізнес адміністрування (англомовна)»

Шлапака Андрія Васильовича

Наукова проблематика питань управління витратами є актуальною для обговорюваною не тільки на сторінках академічних видань, але і широко дискутується практиками. Це зумовлено тим, що витрати є ключовим фокусом управлінських впливів, так як саме їх величина визначає доходну частину та прибутковість розвитку бізнесу. Актуалізація питань формування системи управління витратами ТОВ «Галарг» зумовлена стратегічними намірами менеджменту розширювати масштаби діяльності. Відповідно, дана робота є актуальною та своєчасною для компанії.

У теоретичній частині роботи автором упорядковано концептуальні засади теорії управління витратами, які стали фундаментальним базисом формування системи управління витратами ТОВ «Галарг». У аналітичній частині кваліфікаційної магістерської роботи представлено результати управлінського аналізу витрат ТОВ «Галарг», який зроблено на основі синтетичного використання різних методів та аналітичних метрик, що представлені у відповідній теорії. Представлені результати багатоаспектного управлінського аналізу витрат фактично виступають шаблоном для формування управлінських звітів компанії в області управління витратами та значно розширюють інформаційний простір щодо прийняття ефективних управлінських рішень, спрямованих на забезпечення успішності розвитку ТОВ «Галарг».

Практичну цінність представляють результати конструктивного розділу роботи, які стосуються як концептуального бачення системи управління витратами ТОВ «Галарг», так і способами її впровадження на підприємстві. Фактично, автором повністю розроблено підсистему загальної системи інформаційного простору, який на даний момент обговорює менеджмент компанії. А представлені автором аналітичні результати є певними шаблонами управлінської звітності, які мають впроваджені на підприємстві.

В цілому, представлена на рецензування робота є актуальним та завершеним дослідженням, у якому представлені результати аналізу підприємницької діяльності ТОВ «Галарг», що абсолютно відображають реальні тенденції розвитку даного бізнесу, розроблені рекомендації є цінними та практично значущими для менеджменту компанії.

Керівник ТОВ «Галарг» Сергій ПЕТРОВ



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INTRODUCTION

Actuality of theme. In a competitive market in various areas of economic activity, the main factor in strengthening the position of an enterprise in the market is the implementation of a cost leadership strategy. At present, the assessment of the role of cost management for enterprises is steadily increasing, which is primarily due to the possibility of reducing the cost of goods and services while maintaining the declared level of quality by finding reserves to reduce costs and optimize their structure. The problem of cost management, at present, is relevant and significant, many domestic and foreign scientists-economists conduct research in this area. However, most of the theoretical developments are devoted to the accounting aspect, while such cost management functions as planning, analysis, monitoring and control, forecasting has not been sufficiently studied.

Analysis of recent research and publications. A wide range of issues related to the study of cost management in the enterprise, is reflected in the works of well-known domestic economists: I. Blank, V. Bazylevych, N. Gura, N. Malakhova, Y. Tsal-Tsalko, I. Sidorov, O. Kyzenko, V. Lavrenenko, O. Kotsyuby, others. A significant contribution to the development of the theory and practice of cost management was made by foreign economists and managers: G. Emerson, C. Harrison, who substantiated the concept of standard cost accounting; J. Clark, J. Harris, who substantiated the concept of direct cost accounting; F. Rymailo, under whose leadership the method of accounting for homogeneous sections was developed; J. A. Higgins - the concept of accounting with centers of responsibility is substantiated; Spencer A. Tucker - developed a method of accounting "tariff - machine - hour"; R. Cooper, R. Kaplan - developed a method of calculating costs based on activities. Theoretical and applied aspects of the organization of management accounting are studied by the following international and national professional organizations: International Federation of Accountants (the structure includes the Committee on Financial and Management Accounting); US Institute of Management Accountants (IMA); Privileged Institute of Management Accountants of Great Britain (SIMA), etc.

The purpose and objectives of the study. The purpose of the master's qualification work is: on the basis of mastering the conceptual and methodological foundations of cost management theory to form a cost management system of Galarg LLC taking into account the specifics of functioning in today's business environment.

To achieve this goal, the following tasks were solved:

- explore the managerial nature of enterprise costs;
- systematize and analyze the conceptual foundations of enterprise cost management;
- identify the advantages and disadvantages of cost management methods of the enterprise;
- to characterize the business activities of Galarg LLC;
- evaluate the financial and economic effectiveness of the development management of Galarg LLC;
- make a management analysis of the costs of Galarg LLC in 2019 - 2021;
- to develop organizational and methodological aspects of forming the cost management system of Galarg LLC;
- economically justify the feasibility of implementing the developed cost management system of Galarg LLC;
- determine the organizational and social consequences of the implementation of the cost management system of Galarg LLC.

The object of the study is the cost management processes of the enterprise.

The subject of research is a set of theoretical, methodological and applied aspects of cost management in modern conditions of the enterprise.

Research methods. The following methods were used during the study: *systematization and generalization* - during the study of the managerial nature of enterprise costs and conceptual foundations of the formation of cost management system; *analysis and synthesis* - in determining the advantages and disadvantages of cost management methods; *financial and strategic analysis* - in the course of assessing development trends and performance of Galarg LLC; *factor analysis* - for the

implementation of management diagnostics of costs of Galarg LLC; *methods of evaluating the effectiveness of investments* - with the economic justification of the feasibility of the project to implement the cost management system of Galarg LLC in different ways; *methods of regression analysis* - in the course of forecasting changes in the budget of costs for the implementation of CSR projects.

Theoretical, methodological and practical significance of the obtained results. The theoretical significance of this work lies in the implementation of scientific streamlining of the conceptual foundations of the formation of enterprise cost management system. The main results of the theoretical study are brought to the level of methodological developments and practical recommendations, the implementation of which will improve the efficiency of cost management. Thus, at the methodological level, a methodological approach to the implementation of management cost analysis based on the synthetic use of analytical tools such concepts as Standard-costing; Direct costing, Absorption costing; Cost-killing; Cost Value Price. The practical significance of this work is to develop a concept of cost management Galarg LLC and justify possible ways to implement it, taking into account the specifics of the modern business environment.

The information base of the research is formed by normative and legislative acts of Ukraine, scientific works (monographs, scientific articles in periodicals, abstracts of dissertations, etc.) of domestic and foreign scientists, information from open sources on the Internet, financial and management reporting of Galarg LLC.

Master thesis structure. It consists of an introduction, three chapters, conclusions, a list of sources and appendices.

CHAPTER 1.

THEORETICAL AND METHODOLOGICAL PRINCIPLES OF COST MANAGEMENT AT THE ENTERPRISE

1.1. Characteristics of enterprise costs as an object of management

One of the most difficult problems for business structures is to ensure effective cost management. The successful operation of enterprises largely depends on the optimal level and dynamics of costs. Therefore, cost management is an important tool for achieving high economic results and is not limited to reducing their absolute value.

In the process of activity at the enterprise there are costs of used production resources (raw materials, works, services), wages, social measures, compensation for depreciation of non-current tangible and intangible assets and other resources. Therefore, in its economic essence, costs - is the monetary expression of the number of resources used for a specific purpose for the production and sale of products, works, services, other economic activities.

In business, most management decisions are based on a comparison of the expected revenue from the implementation of specific activities with the costs associated with their implementation. Thus, information on the types of costs, their volume and dynamics are the information base for decision-making on the objective determination of financial results, the formation of the order portfolio, product range, activities and volumes, inventory management, pricing, evaluation of investment projects and monitoring costs, etc.

The costs of entrepreneurial activity demonstrate the fact of using raw materials and services. From an accounting point of view, only at the time of sale does the entity determine and compare its income and related expenses, the latter typically taking the

form of an outflow or decrease in an asset and reflected in the statement of financial performance. This approach is called cost-benefit matching. In the economic literature so far there are ambiguous definitions of "costs", and often lack the necessary methodological emphasis on their content, classification and evaluation, which significantly reduces the depth of understanding, objectivity and systematic approach to this economic category. Most authors characterize and define the category of "costs" as current costs, the concretized expression of which is the cost of production (monetary form of costs for the preparation of production, manufacture and sale of products). Other authors interpret "costs" as the cost (costs) of acquiring economic resources (introduction of factors of production).

Here are some definitions of the economic nature of costs in terms of different scientists (Table 1.1). The above approaches only partially reflect the essence of the concept of "costs". We assume that costs should be considered from a dialectical point of view, namely that costs are a complex economic category that combines the content and the process of forming the required number of economic resources in the enterprise and the process of their use. That is, the moment of formation of costs is the beginning of the process of formation of economic resources, and only after the corresponding accumulation begins the process of their use, which is another, relatively independent form of reflection of costs. Costs, as a complex economic category, have their own sequence and simultaneity of being in different (above) forms.

Based on these positions, we summarize that "costs" - is the monetary expression of the value of economic resources of the enterprise in the applied and consumed forms necessary to carry out its production and economic activities and achieve the goal. This definition of the term "costs" characterizes the genesis, shows the dialectical unity and transformation of one type of costs into another and is a methodological and methodological basis for the classification and evaluation of costs.

Table 1.1 - Approaches to determining the economic nature of costs

Author / Source	Treatment
Tax Code of Ukraine [19]	"Expenses - the sum of any expenses of the taxpayer in monetary, tangible or intangible forms, carried out for the economic activities of the taxpayer, resulting in a decrease in economic benefits in the form of disposal of assets or increase in liabilities, resulting in reduced equity (except changes in capital due to its withdrawal or distribution by the owner.
NP (S) BU 1 "General requirements for financial reporting" and P (S) BU 16 "Expenses" [22]	Expenses, such as a decrease in economic benefits in the form of disposal of assets or an increase in liabilities that result in a decrease in equity (excluding a decrease in equity due to its withdrawal or distribution by owners)
International Accounting Standards (IAS). Costs [13]	Expenses are the decrease in economic benefits during the accounting period in the form of disposal or depreciation of assets, or in the form of liabilities, resulting in a decrease in equity, except for the decrease associated with payments to participants
V.G. Kozak [6]	The costs of the enterprise - one of the important categories of management accounting and quality assessment of the enterprise. For management it is necessary to know not just costs, but information about the cost of anything (product or its party, services)

Source: summarized by the author according to [8; 15; 17; 21;]

According to UAS 16 "Costs", their economic substance is defined as follows:
 "Costs - a decrease in economic benefits in the form of disposal of assets or increase in liabilities, which leads to a decrease in equity of the enterprise (except for a decrease in

capital due to its withdrawal or distribution by owners) [17]. Based on this definition, costs can be considered as the sum of resources spent on production (works, services), as well as the cost of materials consumed in the production process, fuel, fixed assets, labor, financial assets and other costs.

During the research it was found that in the theory and practice of accounting and management accounting cost management is considered as the regulation of the annual total cost of acquisition of inventory, production costs of inventories that ensure the smooth operation of the enterprise. In the most general form, the economic efficiency of production is a quantitative ratio of two quantities - the results of economic activity and production costs. The essence of the problem of improving economic efficiency is to increase economic results per unit of costs in the use of available resources, creating and maintaining sustainable operation of the business entity and increasing its competitiveness in a rapidly changing external market environment [30].

An important aspect of the study of the nature of costs is their classification. In general, in the economic literature, the costs of the enterprise are divided into investment and current (operating) and there are two main groups of indicators: costs (B) and results (P), and their main feature - is their absolute expression. The ratio of these values forms other economic categories: cost (V / R), efficiency (R / V), economic effect ($R-V$). Examples of these indicators are economic categories such as the absolute value of capital and capital intensity, cost in absolute terms and the specific cost of production. Therefore, all relative indicators that are formed on the basis of costs do not directly characterize this category and are formed by indicators derived from costs.

The most common is the classification of costs depending on the objectives of management, which distinguishes three areas: costs to determine the cost of production and profit, inventory valuation; costs for management decisions and planning; costs for the process of control and regulation (Fig. 1.1).

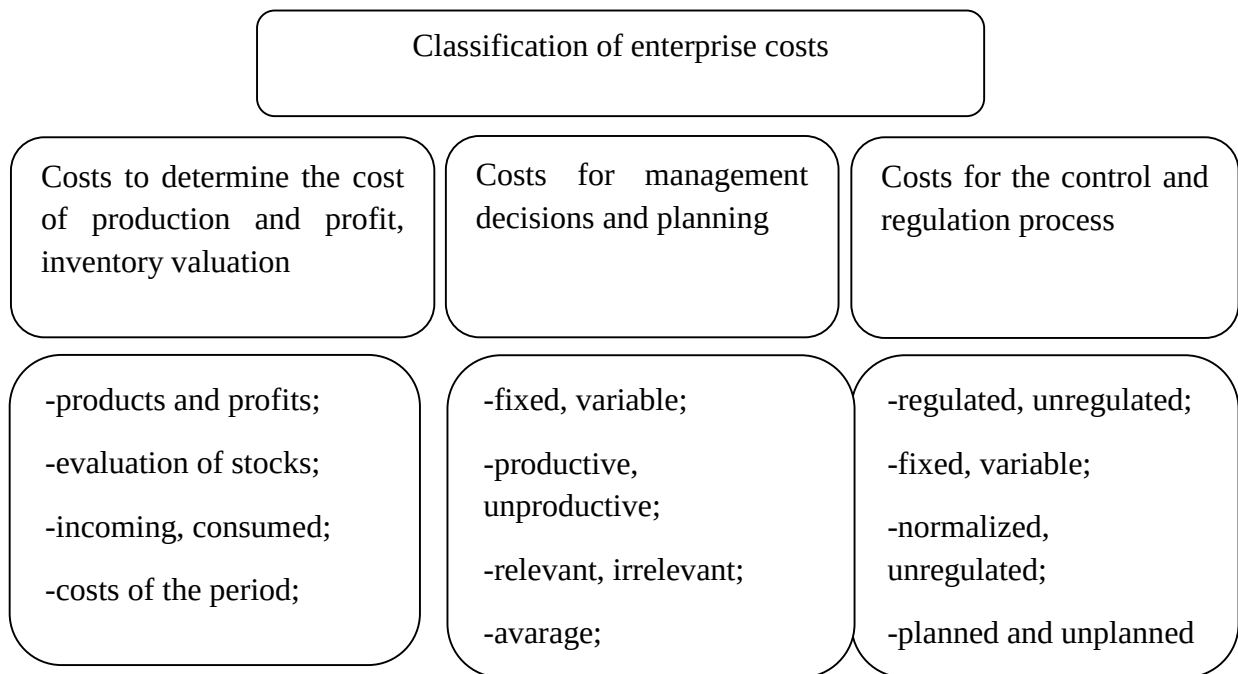


Figure 1.1 - Classification of costs of the enterprise depending on the objectives of management

Source: compiled by the author [30]

In the literature you can find the classification of costs for planning, accounting and calculation purposes (Fig. 1.2).

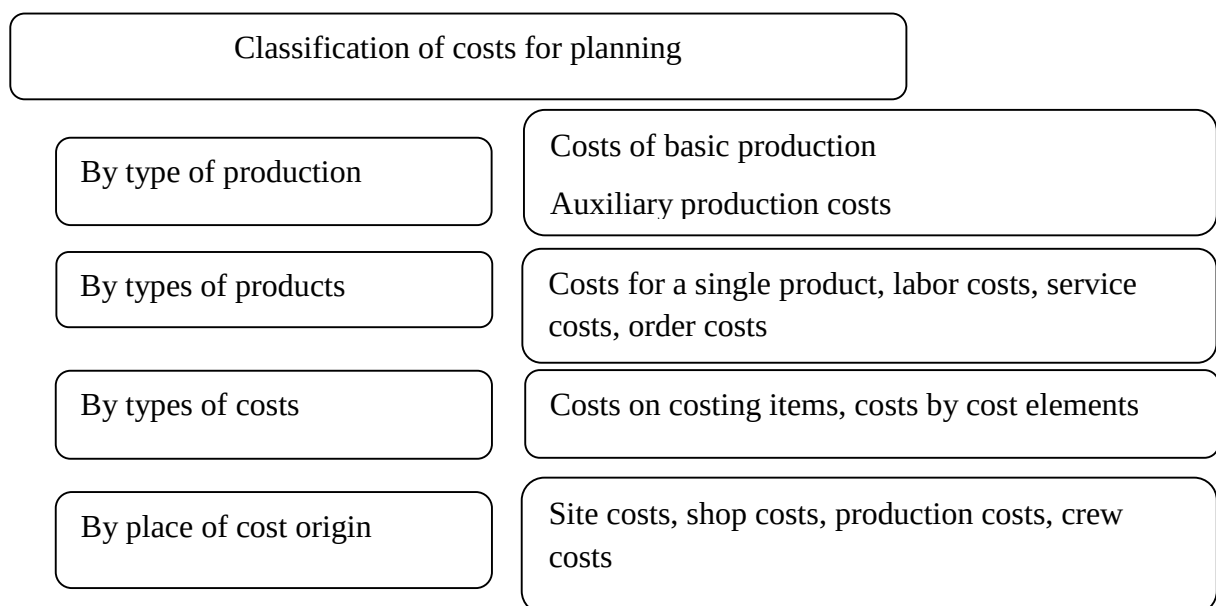


Figure 1.2 - Classification of costs for planning purposes

Source: compiled by the author [33]

Types of costs depending on the areas of their study are summarized in table. (Table 1.2).

Table 1.2 - Classification of costs in the enterprise

Sign of classification	Types of costs
The method of allocating costs to cost	Direct
	Indirect
Belonging to the manufacturing process	Main
	Overhead
The level of dependence on production volumes	Variables (proportional)
	Variables (disproportionate)
	Fixed
	Conditionally fixed
The level of homogeneity	Simple (one-element)
	Complex
Content and purpose of costs	Economic elements
	Costing articles
Belonging to the process of production and sale	Production costs
	Non-production costs
Obviousness and formal certainty	Actual
	Alternative
Object of formation	Aggregate (general)
	Average (individual)
	Marginal costs
The sequence of formation and the scope of costs	Technological cost
	Department cost
	Production (factory) cost
	Full cost

Source: compiled by the author [33]

Analysis of classification features, allows us to conclude that the systematization of costs is based on certain goals and context of the study. Accordingly, management goals impose certain features on the study of costs. Thus, depending on the elemental composition of management, the study of costs takes place in different substantive contexts, which is summarized in Fig. 1.3. The peculiarity of the management approach to the systematization of costs is that it:

- 1) takes into account the features of different controls;
- 2) strengthens the ability to identify reserves to increase the effectiveness of the enterprise, as it allows to allocate the part of costs that can be influenced by the manager's decisions and meet his need for necessary and sufficient information at a particular time;
- 3) allows to reduce unproductive expenses, to reveal and expand highly profitable directions of activity that raises efficiency of financial and economic activity of the enterprise.

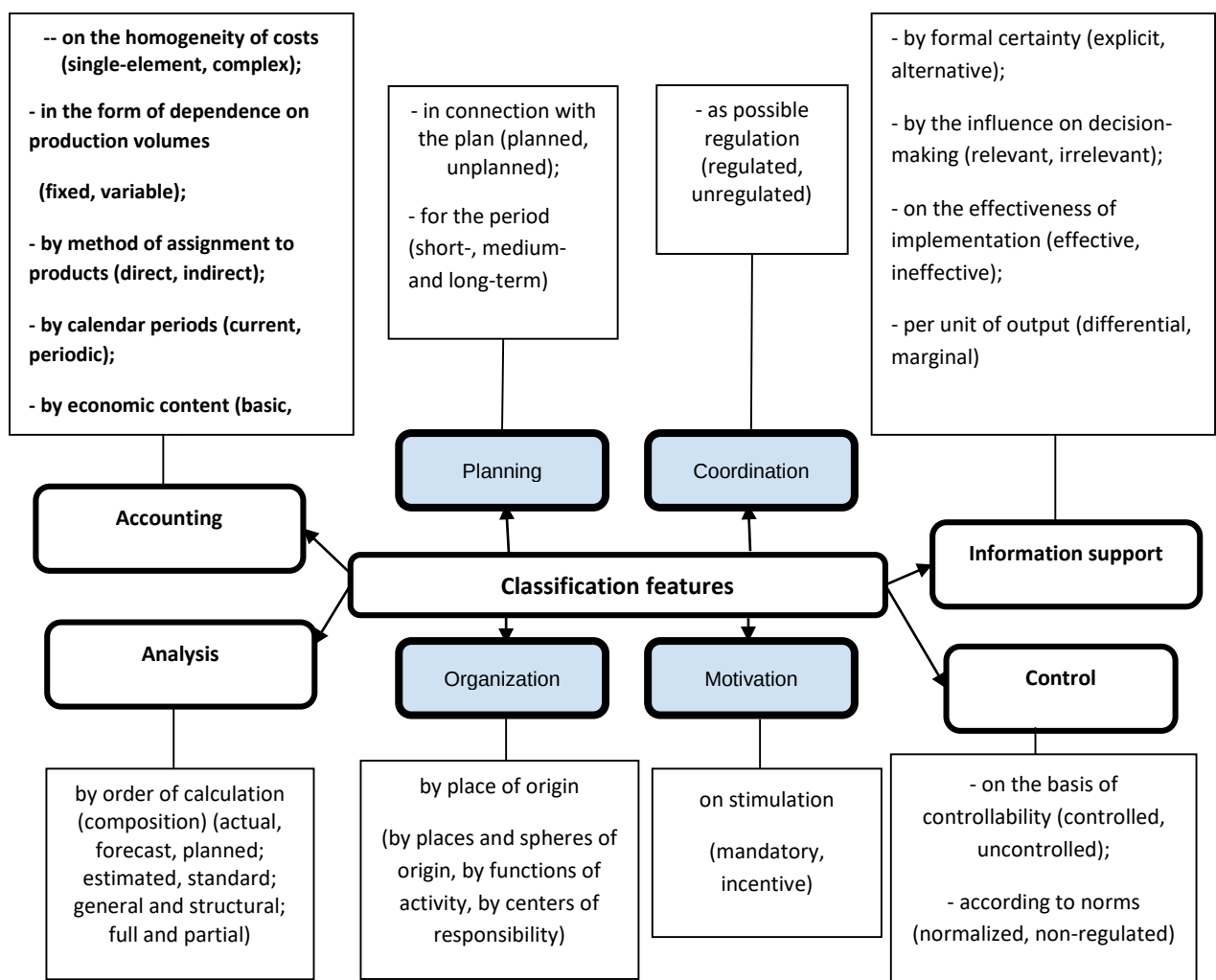


Figure 1.3 - Management aspects of costing in the enterprise

If we summarize the theoretical provisions on the species nature of costs in the enterprise, we can conclude that this issue is very complex and ambiguous, as there is no consensus in scientific sources on the unambiguity of classification features and relevant species characteristics of costs. On the one hand, it complicates the process of cost management in practice, on the other hand, it opens up opportunities for the formation of original meaningful constructions for the impact on costs as an object of management.

1.2. Conceptual principles of cost management in the enterprise

In scientific sources, there are various meaningful interpretations of the term "cost management". Thus, the position of I. Davydov is that cost management is a dynamic process that includes management actions, the purpose of which is to achieve a high economic result of the enterprise. It is not limited to reducing costs, but extends to all elements of management [6]. From the point of view of I. Chernokovoy, the cost management system should be understood as a set of techniques and methods, tools and levers of influence on the formation of costs, aimed at achieving maximum efficiency in the enterprise in the process of reproduction, with constant control of their level and stimulate reduction [33]. G. Cosachenko emphasizes the methodological aspects of management: "Cost management is a set of methods, processes and specific procedures for managing the organization's resources. In the enterprise management system an important place is given to the issues of production cost management. The process of managing production costs is a multidisciplinary process that covers all aspects of economic activity, from supply to sale of finished products [9, p. 14]. O. Shumylo considers the essence of the process of cost management and cost management functions, where in her opinion the essence of the management process consists of the following three functions: management as a function; management as a management process; management as a specific body (apparatus) of management [37].

Scientific publications emphasize that the defining purpose of management accounting is to provide information for calculating the cost of products (works, services), planning, control, evaluation and continuous improvement of the enterprise, management decisions [32]. It is the information generated through management accounting that should enable managers to determine the prospects for further development of the enterprise, solve problems and evaluate the success of activities. O.Chepets also drew attention to this at one time, noting that at present there is no clear system for managing the process of reducing costs [31]. In this case, from our point of view, the principle of pricing depends largely on the level of cost recovery. This costly method is a relic of the past, when the price had to cover the level of costs.

B.Khatchaturyan, formulating the purpose of cost management, notes that any company, carrying out production, is interested primarily in what are the quantitative relationships between products and factors of production and how to describe these relationships [29]. It is further noted that the identified ratios are the subject of the theory of production, and hence the main purpose of cost management. Based on this approach, various econometric models were built, which describe the relationships between factors of production and the result obtained. In fact, economics, after it became possible to process information on a computer, fundamentally changed the method of building research.

O.Chernyaeva holds a similar view. From her point of view, the essence of cost management is, firstly, not to accurately determine the value of the cost of production, but to identify how it was formed, and secondly, the cost management process should be aimed at cost formation in the previous and current modes and operational intervention in the enterprise in case of deviations from the desired state [34].

According to T.Simkova, the basic principles of cost management, due to practice, are as follows: a systematic approach to cost management (assessment of efficiency at the weak link); unity of methods used at different levels of cost management; cost management at all stages of the product life cycle - from creation to disposal; organic combination of cost reduction with high quality products; prevention of unnecessary

costs; wide introduction of effective methods of cost reduction (normative method of cost accounting, operational analysis); improving information support on the level of costs [26]. Some positions declared by the author are general. For example, avoiding unnecessary costs. This position is clear and does not require a separate explanation. In addition, the position of widespread implementation of cost reduction methods should also be specified.

Y. Pogorelov gives some other principles of cost management, namely:

- application of a systematic approach to cost management;
- the relationship of individual elements of subsystems with the tasks of the system as a whole;
- compliance of the accounting system with the task of cost management;
- analysis and identification of alternative ways to achieve the goal;
- completeness and analytical information on the level of costs;
- application of effective methods of cost reduction;
- stimulating and motivating employees to reduce costs;
- evaluation and control of the performance of units;
- providing and implementing the latest achievements of economics, mathematics and practice for further improvement [9].

The authors of the well-known textbook on cost management R. Harrison and E. Norin believe that cost management should be based on strategic and tactical goals. The goal of cost management at the strategic level is to create a competitive advantage in costs. It is noted that the emergence of strategic cost management is the result of a merger of three areas of strategic management: value chain analysis; strategic positioning; analysis and management of factors that determine costs [5].

Based on the analysis of a wide range of publications on the essence of cost management, we have identified the main theoretical approaches to the interpretation of this concept, namely:

- the process of ensuring the efficient use of resources;
- cost tracking, analysis and control system;
- the process of planning, organizing, motivating, controlling and regulating costs;
- measures to influence the structure, dynamics and behavior of costs;
- the process of achieving high economic results of the enterprise by reducing costs.

Based on certain approaches, the term "enterprise cost management" can be characterized as *a set of targeted measures to influence the volume, level, structure and behavior of costs to find ways to save resources, which will reduce production costs and increase profitability of operating activities.*

The cost management model in the enterprise should meet the requirements and objectives of management as fully as possible. To do this, modern management practice involves the use of a systems approach, i.e. the creation of a cost management system at the enterprise. Cost management involves the organization of cost accounting in general and by cost items, which creates an information base for management decisions; cost analysis; rationing of production costs; cost planning (forecasting); control and operational cost management. All decisions made to ensure the effectiveness of management activities can be reduced to zero if the company will not have an effective cost accounting system. This area of activity is primarily responsible for providing information on the processes of making and implementing the necessary management decisions on cost management.

Accounting for costs to reflect the costs incurred by the company during a certain period, related to the processes of supply, production and sales in the sections that form the cost of finished products. This reflection provides comprehensive information

necessary to manage the costs of the enterprise and evaluate its activities by determining the financial results.

The next stage of a systematic study of cost management is the choice of management model (system, costing methods and cost accounting base). The calculation system is determined by the nature of products (services). There are different costing systems: for individual orders (contracts, works, batches), for constantly recurring production processes, mixed systems (operational costing). Within each of these systems it is possible to keep accounts at full cost or only at direct (partial) costs, etc.

Finally, an important element of a systematic study of cost management is cost control, which is provided by comparing budget (planned) and actual costs. However, a more effective method is to establish norms (standards) of costs at the level of specific types of products (services) and operational control of detection and analysis of deviations.

In the cost management system, the analysis completes the management cycle in the field of costs and at the same time is its beginning. In the process of cost analysis as an important element of cost control, information is prepared for their sound planning. First of all, costs are analyzed by types, by places of origin (centers of responsibility), by carriers (products or processes), by factors of influence.

An important step in cost management is to develop a cost reduction program. As already mentioned, the main financial goal of any business is to maximize profits. It is known that one of the ways to increase profits is to reduce costs (achieve their optimal level). This is the importance of cost management to ensure their savings, which will contribute to the efficient operation of the enterprise. Enterprise cost management involves the study of the impact of cost formation processes on the business entity, establishing their trends and patterns, quantifying the factors that determine the volume and level of enterprise costs. Assessing the effectiveness of cost management involves analyzing the absolute and relative changes in total and specific costs of the enterprise, identifying the main trends, changes in the deviation of their actual and planned indicators, as well as finding out the main reasons for these deviations.

If we consider the issue of cost management in the conceptual aspect, it is worth highlighting some of the most common in management practice. One of them is the concept of cost-generating factors (the concept of traditional cost management), which is that the costs of the enterprise are influenced by a number of factors, both structural and functional [9]. In the practical activities of enterprises, the dependence of cost behavior on functional factors is mainly considered, which is explained by the conservatism of analysts. The effect of optimization in this case is achieved not by changing the cost structure, but by improving the efficiency of domestic resources and accelerating their turnover. This concept is used in domestic enterprises, but to increase the effectiveness of its application in modern conditions, an important condition is to supplement the existing concept with new components.

Under modern conditions, the concept of value added is becoming quite popular, which is characterized as a modern paradigm of cost management. The meaning of this concept is that the components of costs are explored at all stages of adding value. A key point of the concept is to increase the difference between the cost of purchasing inventories and the cost of selling products. The main disadvantage of this concept is that the control process loses most of the material costs, which is important for material-intensive industries. As for non-material-intensive work, the approach to cost analysis from the standpoint of the concept of value added can be quite justified [4].

The choice between the limited resources used in the production process poses the problem of theoretical understanding of opportunity costs. With this in mind, the concept of opportunity cost, or the concept of lost opportunities, is gaining ground today. This concept is based on the following postulates: all resources are limited; each resource has at least two alternative uses. Some limitation of the use of this concept in the practice of cost management is due to the fact that in complex technological industries, the cost of lost opportunities is not always possible to reliably and objectively estimate. This concept is quite effective in application, as it gives the entrepreneur the right to choose, but the concept will be effective only if the manager has complete, accurate and reliable information about the current state of the enterprise.

In recent years, the concept of transaction costs has been the subject of increased attention. This is due to the fact that in today's economy the cost of transaction costs is constantly growing in proportion to the increasing uncertainty of economic conditions. However, due to the high share of shadow costs in the structure of transaction costs, as well as the difficulty of separating them from the total legal costs, their accounting is extremely problematic. In addition, the analysis of the concept shows that transaction costs are invisible, they are hidden among other overhead costs, but despite this, they significantly affect the overall level of costs of the enterprise.

The concept of strategic cost management (strategic positioning) is to include in the field of management accounting and cost analysis detailed information about the strategic development of the enterprise, industry and the economy as a whole. J. Shank and V. Govindarajan believe that cost management is the result of a combination of three areas of strategic management: value chain analysis, strategic positioning analysis, analysis and management of cost functions. [36] Thus, strategic cost management operates with the concept of full life cycle costs of goods or services, which allows the manager to identify methods to reduce costs and gain competitive advantage.

The concept of strategic cost management allows the cost analysis to rise to a higher level of the reasons for their occurrence. Thus, there is an opportunity to make a strategic decision at the top level, to get rid of a significant number of factors at the lower level. The concept of strategic cost management is aimed at ensuring the competitive advantage of the enterprise in the market, it can be quite effective in domestic enterprises, as it combines several areas of analysis and takes into account the long-term development strategy.

Thus, the concepts of cost management are not homogeneous in content - today there is no consensus among scholars on which of the concepts of cost management is the most effective. The choice of concept is determined by the peculiarities of enterprises and the different strategies they follow. The research highlighted the essence and main components of basic concepts of cost management, provides an analysis of the advantages and disadvantages of each concept, but today insufficiently developed issues of synthesis

of cost management concepts as a basis for sustainable economic development in globalization [37].

If we holistically characterize the cost management system, we can conclude that the vast majority of scientists describe it in the following aspects: the object and subject of management; goals, objectives, functions, management methods (Table 1.3).

Table 1.3 - Conceptual provisions of the cost management system of the enterprise

Elements	Characteristic
Control object	The costs of the enterprise at different stages of the product life cycle.
Management entity	Executives, managers and specialists of the enterprise, actively involved in the cost management process
Tasks	- precise determination of costs by types of products, production units, geographical regions, business processes, etc .; - calculation of the unit cost of production; - identification of costs by stages of the life cycle of goods, works, services; - search for reserves to reduce costs at all stages of the product life cycle; - formation of management information on costs, which contributes to the measurement and evaluation of effectiveness (productivity, return on investment, investment); - evaluation of the results of financial and economic activities of the enterprise;

	- making sound short-term and long-term management decisions.
Functions	- planning; - accounting; - CONTROL; - analysis; - making managerial decisions.
Principles	- strategic unity of management decisions in the field of cost management; - priority of strategic goals over current tasks; - cost optimality; - dynamism; - complexity; - a systematic approach to cost management; - methodological unity at all levels of cost management; - use of generally accepted methods and tools of cost management; - prevention of reduction of product quality in the process of cost management; - minimization of costs that do not increase the cost of production; - cost management at all stages of the product life cycle; - improving information support; - motivating employees to reduce costs.

Source: [5;9;36]

The cost management system occupies a special place in the enterprise management system and should be considered as its subsystem. That is, the cost management system is integrated into the overall management system of the enterprise and is closely related to other elements of the system. Since cost management is related

to other areas of management, such as production management, sales management, marketing management, personnel management, financial management, innovation management, logistics management, quality management, the management process requires compliance with the principle of complexity. Therefore, it can be argued that cost management in the enterprise should be comprehensive.

1.3. Methods of cost management in the enterprise

The need for constant work on solving problems of optimizing the level of costs and ensuring their sustainable positive trend has led to a large number of different methods of cost management (Table 1.4), such as: direct costing, standard cost, target costing, kaizen costing, CVP -analysis, cost-killing, cost benchmarking, LCC-analysis, etc.

Table 1.4 - Characteristics of cost management methods

Cost management method	The essence of the method
"Standard-costing" (normative method of cost accounting)	It is a system of cost accounting and costing based on standard (planned) costs. This system is based on the principle of cost accounting and control within the established norms and standards and deviations from them.
"Direct-costing" (truncated cost method)	The method of direct costing is called differently: calculation of truncated cost, calculation of variable costs, marginal cost accounting. But the essence remains the same. Direct costing is the accounting of direct costs for manufactured and sold products. According to this method, only direct (variable) costs

	are taken into account in the cost, and fixed indirect costs are written off to the financial result.
"Process Costing" (method of accounting for process costs)	The method in which the average costs for each unit produced are calculated, when the total costs incurred for the product (service) for the reporting period are divided by the total number of products (services) released for the same period. The method is used when many identical units of production, and there is no need to determine the cost of each unit. In this case, the products are produced the same, and require the same distribution of direct and overhead costs [1]. Separate cost accounting registers for individual orders are not maintained, and the costing object becomes the product of each completed stage of the production process.
"Target-costing" (target cost method)	Method for determining the target cost, formation of the cost of new products for the enterprise, based on the planned price and the expected profitability of sales.
Kaizen-costing (cost management method for continuous improvement)	This is the process of gradual cost reduction at the stage of production, as a result of which the required level of cost is achieved and the profitability of production is ensured.
"Life-cycle-costing" (a method of determining costs based on the life cycle of products)	Modern comprehensive management accounting methodology suitable for public services with different life cycle lengths and allowing to take into account, among other things, the costs associated with the impact on the environment.
"Cost-killing" (method of maximum cost)	In a market economy, cost management (accounting, analysis and control) is systemic in nature and

reduction in the shortest possible time)	represents an orderly process of collecting and registering information on costs and results by processes and activities.
"Benchmarking" (method based on comparison with the best performance of competitors)	Benchmarking as a process of identifying, understanding and adapting existing examples of good enterprise performance in order to improve one's own performance.
CVP analysis (break-even point analysis)	This is an analysis of the behavior of costs, which is based on the relationship of costs, revenue (income), production volume and profit.
VCC method (value chain concept)	Calculation of the cost price along the chain of formation of consumer value. Positive aspects - takes into account all aspects of the financial and economic activities of the enterprise. Negatives - applies more to new products that are not on the market (narrow scope)
Activity Based Costing, ABC	A method for determining the value and other characteristics of products, services, and customers based on the functions and resources involved in manufacturing, marketing, selling, shipping, technical support, service delivery, customer service, and quality assurance. It is a method that includes cost management based on the application of a more accurate allocation of costs to processes and products.

Source: compiled according to data [4-6; 9; 30; 33; 36]

"Direct costing" is a system of management accounting, which is based on the classification of costs into variables and fixed and includes accounting for their types, places of origin and sources, as well as analysis of costs and results for management decisions. The direct costing system has a number of advantages: data on cost, volume,

profits required for profit planning purposes can always be obtained from regular reporting; direct costing combines effective controls such as standard cost and flexible budgets. The main difficulties in applying this system are the allocation of fixed costs. Much of the semi-variable costs can be distributed differently depending on the method used, which in turn will affect the results. However, over time, it has become increasingly important for businesses not so much to accurately and completely determine the cost, but to prevent unjustified costs that could be avoided. This issue has been addressed through the standard-cost system. "Standard-cost" is one of the most common methods of management accounting abroad, methods of managing production costs. The founder of this system was F. Taylor, who substantiated the method of normative determination of costs. In 1911, J. Charter Harrison developed and implemented the existing standard-cost system. It became the prototype of the domestic accounting system under the name of the well-known normative method [2].

The main idea of the standard-cost method is to develop standards that the company should strive for. The advantage of the "standard-cost" system over other methods of accounting for production costs is that on the basis of established standards you can determine in advance the amount of expected costs of production and sale of products, calculate the unit cost to determine prices, and report income. When using this system, the management of firms is provided with information about the magnitude of deviations from standards and the reasons for their occurrence, which is used for prompt management decisions. The standard-cost system also has drawbacks. For example, it is difficult to draw standards according to the technological map of production. The change in prices caused by competition for markets, inflation, complicates the calculation of work in progress and the value of the balance of finished products in the warehouse. In addition, it is not possible to set standards for all production costs, which sometimes leads to a weakening of control over them on the ground. When the company performs a large number of differences in nature and type of orders in a relatively short time to calculate the standard for each order is inconvenient. In such cases, instead of scientifically established standards for each product, the average cost is used, which is the basis for

determining product prices. A significant disadvantage is the existing difficulties in determining in practice the degree of tension of standards and norms. Today there are no scientifically sound norms, and drawing up standards on the basis of past costs in the face of inflation causes significant difficulties.

Modification of the cost management methodology of modern enterprises was embodied in the method of "target costing" - cost management at target cost. The essence of this method is quite simple and at the same time revolutionary, it is based on the traditional pricing formula: the price consists of cost and profit. Based on this, the cost will be the difference between price and profit. The above system has the following advantages: managers and employees, trying to get closer to the target cost, often find new, non-standard solutions in situations that require innovative thinking; the need to constantly keep in mind the target cost keeps engineers tempted to use more expensive technology or material, because it will inevitably only lead to a new round of product redesign. The main obstacle is that for the successful implementation of target costing in the organization must be established close interaction between different departments and employees. Also, reducing the cost of production can be achieved through the use of kaizen-costing, which aims to improve the activities of the company or its individual units through internal reserves without attracting large investments from outside. For this method to be effective, certain requirements must be met: develop a leadership style that supports openness, trust and cooperation; to form the strategy and tactics of the enterprise; maintain the consistency of goals; maintain and develop an incentive system that will stimulate cooperation; implement permanent staff training programs. The combined use of target costing and kaizen costing is a common cost management system. The term "general" is explained as cost management at all stages of the life cycle of the product, as well as the full involvement in this process of employees of all departments throughout the enterprise.

The advantage of this method is ensuring the success of the permanent change in labor and the reduction of their costs at a given level, and the main disadvantage is the need to motivate staff and corporate culture, which promotes training of staff in the

activity of the organization. The control system based on the ABC-method provides an opportunity to assess the feasibility of their implementation at a glance, the cost of the difference between the operations of the technological process associated with these windshields. The presence of such an assessment allows you to optimize the total cost of production for the profit of them, which is not directly linked to the process of product development, or it does not provide a reliable income stream in view of the financial results (surplus, income in real life). In order to optimize the balance between the object's basic effect and the totality of the life cycle, a grouping is formed, as in practice it took away the name ABC-Analysis, so ABC-analysis. [9]

Grouping is based on three categories of objects (A, B, C). With this category A, there is an insignificant number of objects with a high level of contribution to the effective indicator, which is controlled, category B is the average number of objects with an average level of contribution, and category C is a significant number of objects (calculation of compatibility) with an insignificant impact on the efficiency of the state. So, the main reason for ABC-analysis is that the maximum profitability and the maximum increase in the market rank of the enterprise can be reached for the effective cost management, which is up to category A. The introduction of cost management systems based on the ABC method, according to the author, will: ensure the formation of a rational cost structure, taking into account the usefulness of their implementation at each stage of production; optimize the cost of production by improving the production process; it is reasonable to set standards for the volume and levels of costs, the implementation of which is controlled by structural units of the financial controlling service; achieve growth in the market value of the enterprise in the long run and maximize profitability in the short term.[4] Relatively new, compared to the previous ones, is the method of benchmarking, which is a research and analytical activity. The term "benchmarking", which characterizes an independent activity, appeared in the 70s of last century, although previously successful organizations have actively studied and based on the best practices of partner companies and competitors. The popularity of this method is very easy to explain: benchmarking helps to improve business processes relatively quickly and at the lowest

cost, and in a broader sense, simply to improve their own activities. Benchmarking creates a kind of analog base that can be used as a reference object of in-depth subject research. Moreover, the goals pursued by entrepreneurs using benchmarking tools may be different:

- improve the position in relation to competitors;
- reduce costs; strengthen the competitive position;
- increase customer satisfaction;
- introduce thA rather rigid method of cost management is cost-killing, it is aimed at quickly minimizing the costs of the enterprise without compromising its activities and development. The implementation of this method is possible through the company's participation in tenders, severe pressure on suppliers, reducing the chain of raw materials, finding new suppliers or optimizing the structure of existing ones. Thus, the advantage of cost-killing is that it allows you to quickly reduce the costs of the enterprise, and the disadvantages - rigidity, because it involves reducing the cost of wages and staff reductions; its use from time to time or only in certain divisions of the enterprise will not give the expected results.e latest security technologies or increase the efficiency of those already in use;
- identify weaknesses in the process;
- develop new ideas;
- improve the organization, etc.

Its feature, and in some cases the disadvantage, is the collection of complete, including confidential and semi-confidential information about the activities of various actors in the market environment. The collected information allows to get a broader idea of the nature of entrepreneurial activity of leaders of the competitive environment and the reasons and factors of their success, which should be summarized and used in the process of building a model of effective entrepreneurship.

A rather rigid method of cost management is cost-killing, it is aimed at quickly minimizing the costs of the enterprise without compromising its activities and

development. The implementation of this method is possible through the company's participation in tenders, severe pressure on suppliers, reducing the chain of raw materials, finding new suppliers or optimizing the structure of existing ones. Thus, the advantage of cost-killing is that it allows you to quickly reduce the costs of the enterprise, and the disadvantages - rigidity, because it involves reducing the cost of wages and staff reductions; its use from time to time or only in certain divisions of the enterprise will not give the expected results.

Cost - Volume - Profit Relationships (CVP) analysis is widely used by foreign experts. Due to the efficiency and effectiveness of this method, its popularity is growing in Ukraine, especially in recent years. In essence, CVP-analysis is quite simple, based on easy-to-calculate indicators and allows you to quickly assess the impact of the size and structure of costs, sales on profit, analyze its dependence on prices and production structure, justify marketing strategy. The advantages of this method include the fact that the company is able to determine the amount of sales depending on the planned profit. The disadvantages of this method are: the division of costs of the enterprise into variables that linearly depend on the volume of production, and constants that do not depend on it, which in practice is difficult to do; any change in the factors present in the model (variable and fixed costs, sales volume and price) can significantly change the final result.[25]

Using the LCC method (calculation of costs by stages of the product life cycle) - the analysis involves the presence of marketing research on the state of the market and the position of products in it. This is necessary to accurately determine the life cycle of the product. LCC analysis should be used by companies that produce a range of non-standard products and are in an unstable niche market in terms of demand. The advantages of LCC analysis are: providing an accurate forecast of costs and the ratio of income and costs of production of the product as a whole; providing a strategic vision of the cost structure and comparing it with the revenue structure. There are disadvantages of this method faced by enterprises: uncertainty in the accounting of overhead costs (if they are not taken into account, the complexity of the information used suffers; if taken into

account, the information used is likely); may require the cost of obtaining additional information.

Based on the results of the analysis of existing methodological approaches to cost management, it can be concluded that there are no universal methods. The application of each of them is appropriate for specific conditions and purposes in cost management. When choosing a method, management needs to conduct detailed research at their company on almost all issues of its activities. In some cases, a combination of several methods should be used for effective cost management, for example, the interaction of target costing and kaizen costing will allow you to effectively manage costs. Therefore, the effectiveness of cost management depends on the correctly chosen method or their combination.

CHAPTER 2.

COST MANAGEMENT DIAGNOSTICS GALARG LLC

2.1. Trends in the development of the external environment and analysis of business activities of GALARG LLC

Qualifying master's thesis is performed on the basis of financial and management reporting of Galarg LLC, which was registered on June 27, 2019. A brief dossier of the company is presented in table. 2.1.

Table 2.1 - Dossier of Galarg LLC

Diagnostic element	Characteristic
1	2
Tax number	43080550
Ownership	Non-state property
The owner of a substantial stake	SHLAPAK ANDRII
Final beneficial owner (controller)	SHLAPAK ANDRII
Director	PETROV SERHII
Location of the legal entity	01023, Kyiv, Baseina Str, 9
The main activity	49.41 Freight road transport

Other activities	45.32 Retail trade of motor vehicle parts and accessories
	45.31 Wholesale trade of motor vehicle parts and accessories
	45.19 Trade in other motor vehicles
<i>The end of 2021</i>	
Net income, thousand UAH	4045
Number of staff, persons	6
Net profit (loss), thousand UAH	54

Continuation of table 2.1

1	2
Registered (share) capital, thousand UAH	1400
Book value of assets, thousand UAH	1979

Source: [55]

The main activity of the company is the provision of transport services, and the company can retail and wholesale parts and accessories for vehicles, as well as the vehicles themselves. GALARG LLC does not have any registered trademarks, there are 8 vehicles in the amount of USD 123,500 (Table 2.2), and 2 licenses. The amount of the authorized capital is UAH 1,400,000.

Table 2.2 - Technical base of Galarg LLC

Type	Number	Year of production	Mileage, km	Market price, USD
Renault Premium 460 DXI	1537	2012	832 745	17 000
Renault Premium 460 DXI	6186	2012	853 684	17 000
Renault Premium 460 DXI	8977	2012	692 536	16 000
Renault MAGNUM 500 DXI	6914	2008	1 039 164	11 500
CHEREAU CD382HB	8737	2007		18 000
CHEREAU CD38	3987	2003		14 000
SCHMITZ SKO 24L	3991	2007		18 000
SCHMITZ SCS24L - 1362EB	6313	2011		12 000

Source: management reporting data

According to the concept of life cycles of the company "Galarg" is in its infancy, which is characterized by the transition to break-even, gradually the amount of profit begins to increase. The stage of formation involves consolidating its position in the market and in the business community. The main task is to strengthen the competitiveness of the organization. This is a high-risk internal stage, because it is during this period that the rapid and poorly controlled growth of the organization often takes place. At this stage, a large number of enterprises fail due to inexperience and incompetence of managers. However, the researched company demonstrates positive trends in development, which

allows us to optimistically assess the prospects for the development of Galarg LLC in the domestic transport services market. Research of tendencies of development of business activity of LLC Galarg allows to state existence of the following facts:

- During 2019 - 2021, the growth rate of performance indicators (net income and net profit) exceeded the growth rate of resources (assets) (Fig. 2.1);

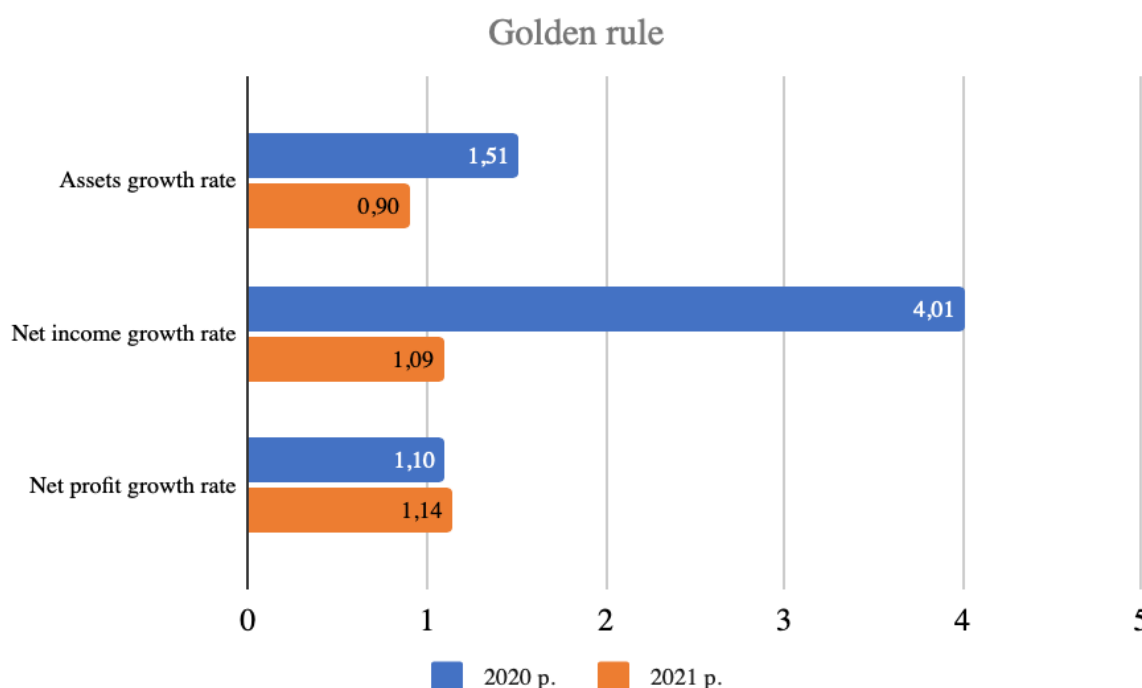


Figure 2.1 - Indicators of growth of the main parameters of development of Galarg LLC in 2019 - 2021.

Source: calculated according to the financial statements

- The company specializes in the delivery of vegetables and fruits that require special transportation conditions. Delivery options are as follows: delivery of fresh fruits and vegetables according to all requirements of safe transportation with temperature range of 0 to +15; delivery of fresh fish and meat according to all requirements of safe transportation with temperature range of -5 to 0; delivery of deep freeze fish and meat according to all requirements of safe transportation

with temperature range of -15 to -20; all other food without special temperature regime;

- The client portfolio of the company is growing, which currently has almost 10 regular customers, including LLC "ATP 16363" (Kharkov, freight forwarder-carrier), LLC "AQUAFROST" (Odesa, manufacturer), PJSC "CHUMAK" (Kakhovka, manufacturer), MHP LLC (Ladyzhyn, manufacturer), YASENSVIT LLC (Stavyshche, manufacturer), Smilyanska HLODNYA LLC (Smila, manufacturer), STAVANGER LLC (Mykolayiv, freight forwarder-carrier, Sandora), PERSPEKTIVA LLC Donetsk region, manufacturer), General Trans Alliance LLC (Kyiv region, ROSHEN), HALYCHINA LLC (Lviv region, manufacturer);
- formed partnerships with such suppliers as OKKO LLC (fuel, individual conditions, deferral), KPP-Center LLC (S-trans, spare parts, deferral), AVTEK LLC (consumables, deferment), LLC NOVA POSHTA, SOFT COM LLC, FOP ISCHENKO.

Currently, the main tools that have enabled the operation and development of the business under study are as follows:

- established contractual relations with direct customers of services;
- accounts have been made on the portals of direct sales and transportation orders;
- made an account on the Lardi-trans portal (positive image of the carrier with reviews, experience);
- a positive credit history with the OTP leasing group is maintained;
- installed transport control system from computer and mobile device;
- connected Binotel telephone lines (call control, statistics, call recording, contact database);
- registered domain name galarg.com, corporate mail;

- contractual relations have been established with Nova Poshta LLC;
- the contract of lease of the legal address and postal service is concluded;
- purchased official licensed software for BAS accounting;
- developed forms for management accounting and reporting.

If we generalize the strengths and weaknesses of Galarg LLC, the threats and opportunities for its development (Fig. 2.2), we can make such meaningful generalizations.

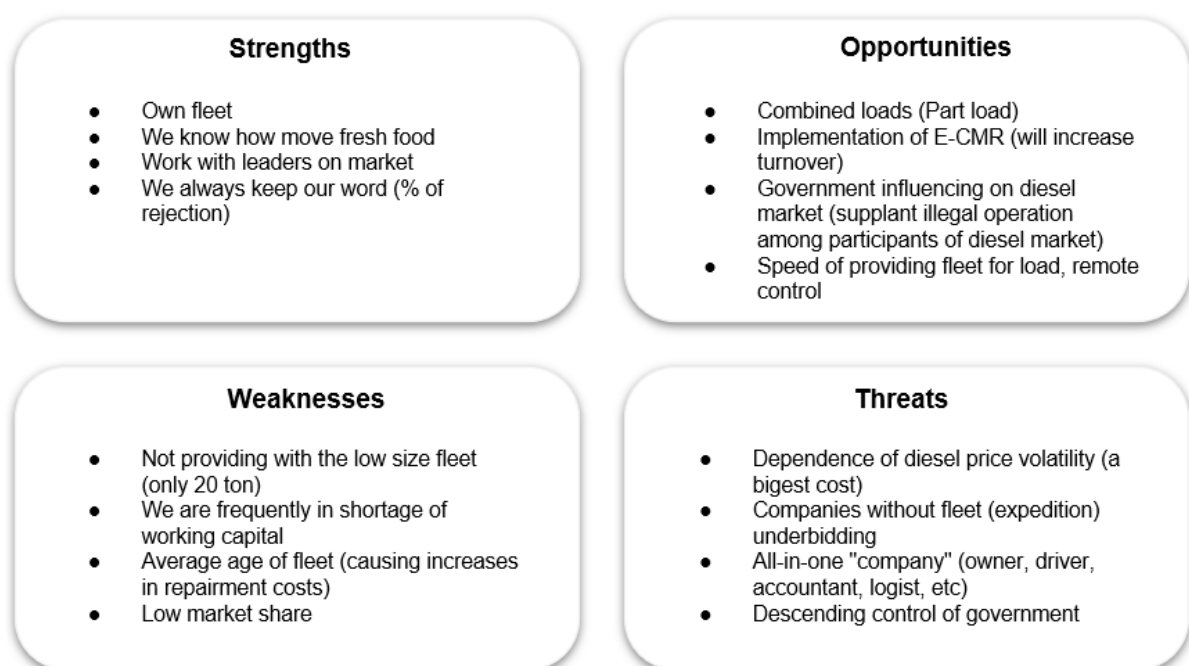


Figure 2.2 - SWOT-results of the analysis of the development of Galarg LLC

Source: formed according to management reports

The basis of successful business development is the desire of the owner to build a modern trucking company, specializing in the transportation of vegetables and fruits that require special conditions of transportation. The company has its own fleet, which intends to expand. In three years, a client portfolio has been formed, the peculiarity of which is that consumer service companies are well-known leaders in the relevant industry markets. The company uses modern technologies in its activities, and the management has an

understanding that investing in such technologies opens opportunities for the successful development of Galarg LLC. Despite the risks and threats of activities, primarily related to safety and rising fuel prices, market trends are generally very favorable in terms of further development of this business, however, it should be borne in mind that the cost of this process in the coming year will be growing.

2.2. Evaluation of financial and economic effectiveness of the management of Galarg LLC

The information base of financial and economic evaluation of the effectiveness of the research business is the data of management and financial reporting of the company (Table Appendix). Substantial aspects of the evaluation will be made according to such criteria as:

- financial risk;
- liquidity and solvency;
- productivity;
- speed of turnover;
- profitability.

The assessment of financial risk will be made in terms of determining the dependence / independence from external investors and creditors, as well as from the standpoint of analyzing the adequacy of funds for the formation of stocks of the enterprise. The results of the analysis of capital structure (financial dependence) allow us to draw the following conclusions:

- during 2019 - 2021, the trend in the share of equity in its total value is declining. Thus, if in 2019 this figure is 0.8, in 2021 - 0.59 (Fig. 2.3). Despite the declining

dynamics, the values of the relevant indicators are critical, and the situation in terms of financial risk is fully controlled by management;

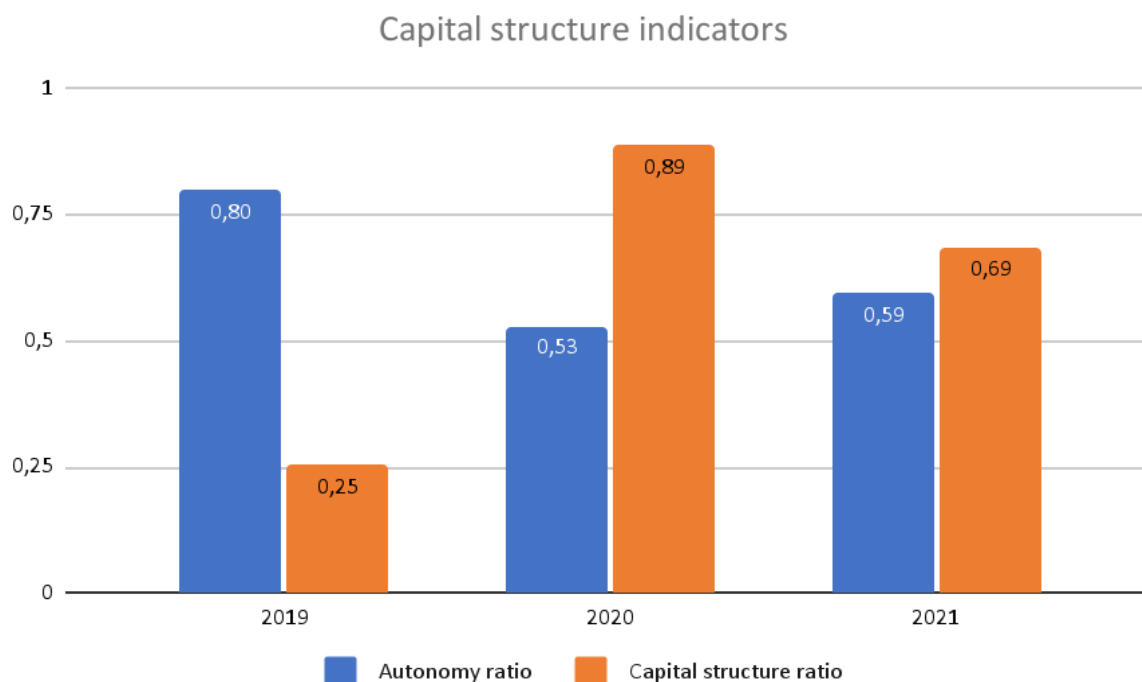


Figure 2.3 - Indicators of the capital structure of Galarg LLC in 2019 - 2021.

Source: calculated according to the financial statements

- The amount of equity during 2019 - 2021 has not changed significantly (Table 2.3), but current liabilities increased in 2020 compared to 2019 by 3.5 times. This is due to the intensification of business activity of the studied enterprise. In 2021, compared to 2019, the amount of short-term debt capital increased 2.7 times, which was reflected in the balance sheet value of capital, which, respectively, increased by 35.8%.

Regarding the results of estimating the level of stock of own working capital based on the use of a three-component model of analysis (Table 2.4), we can state the presence of a negative trend. Thus, if in 2019 the situation was assessed as an absolutely stable financial condition, in 2020 - 2021 it is an unstable financial condition. The main factors

of influence are that 2020 - 2021 is a period of global pandemic, which had a negative impact on the business activity of major business stakeholders.

Table 2.3 - Indicators of changes in sources of funding for assets of "Galarg" LLC in 2019 - 2021

Indicators	Values, thousand UAH			Absolute change to the previous year, thousand UAH		Growth rate (decrease) compared to the previous year, %	
1. Equity	1163	1167,3	1174	4,3	6,7	0,37	0,57
<i>including</i>							
registered (share) capital	1400	1400	1400	0	0	0,00	0,00
retained earnings (uncovered loss)	43	47,3	54	4,3	6,7	10,00	14,16
unpaid capital	-280	-280	-280	0	0	0,00	0,00
2. Current liabilities	294	1036,5	805	742,5	-231,5	252,55	-22,33
<i>including</i>							
current accounts payable for:	32	775,5	422	743,5	-353,5	2323,44	-45,58
<i>including</i>							
long-term liabilities	23	229	0	206	-229	895,65	-100,00
goods, works, services	0	536	410	536	-126	x	-23,51
payments with the budget	9	10,5	12	1,5	1,5	16,67	14,29
Other current liabilities	262	261	383	-1	122	-0,38	46,74
3. The booked amount of capital	1457	2203,8	1979	746,8	-224,8	51,26	-10,20

Source: calculated according to the financial statements

Also, an important factor is the constant rise in fuel prices, which is one of the key factors influencing the financial performance of the company under study. However, we can say that the situation is not critical and did not significantly affect the efficiency of the investigated enterprise.

Table 2.4 - Model of financial stability of Galarg LLC in 2019 – 2021

Indicators	2019	2020	2021
1. Own working capital, thousand UAH	140	-309,4	729
2. Own current and long-term borrowings, thousand UAH	140	-309,4	729
3. The total amount of funds for the formation of stocks, thousand UAH	434	727,1	1534
4. Inventories, thousand UAH	60	51	1238
5. Deficit / surplus of own working capital for the formation of stocks, thousand UAH	80	-360,4	-509
6. Deficit / surplus of current and long-term borrowings for the formation of stocks, thousand UAH	80	-360,4	-509
7. Deficit / surplus of the total amount of funds for the formation of stocks, thousand UAH	374	676,1	296
8. Type of financial stability	Absolutely stable financial condition	Unstable financial situation	Unstable financial situation

Source: calculated according to the financial statements

Thus, with regard to the level of financial risk, despite the presence of certain critical moments, in general we can talk about a sufficient level of managerial effectiveness in terms of controlling the level of financial risk.

Liquidity is defined by many scholars and practitioners as one of the highest priority criteria for assessing the managerial effectiveness of the functioning and development of business. The results of the assessment of liquidity and solvency of Galarg LLC allow to characterize the situation as of the end of 2021 is controlled by management. Thus, the current liquidity ratio (1.91) (Fig. 2.4) is close to normal (more than 2.0), and according to the liquidity balance (Table 2.5) there is no shortage of funds.

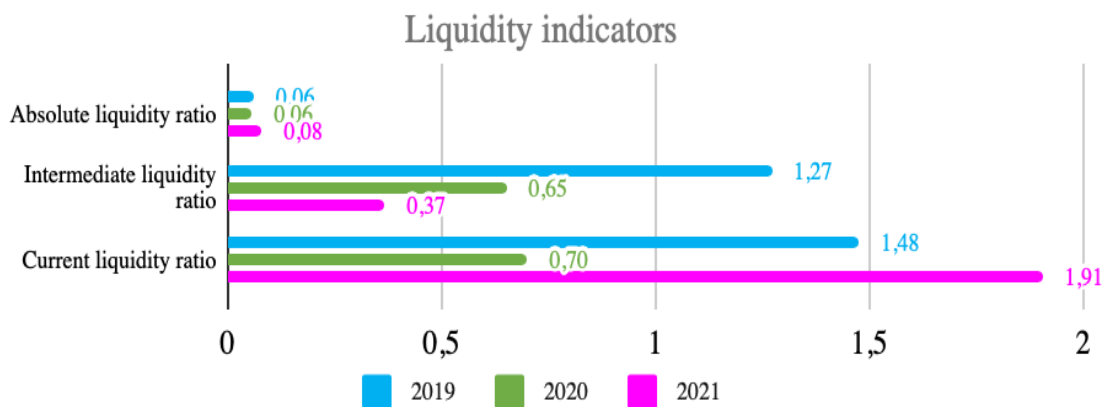


Figure 2.4 - Liquidity indicators of Galarg LLC in 2019 - 2021

Source: calculated according to the financial statements

Table 2.5 - Liquidity balance of Galarg LLC in 2019 - 2021

Indicators	2019	2020	2021
1. The most liquid assets (A1), thousand UAH	18	59,3	65
2. Average liquid assets (A2), thousand UAH	356	616,8	231

3. Assets of slow sales (A3), thousand UAH	60	51	1238
4. Hard-to-sell assets (A4), UAH thousand	1023	1476,7	445
5. The most urgent liabilities (L1), thousand UAH	32	775,5	422
6. Short-term liabilities (L2), thousand UAH	262	261	383
7. Long-term loans and borrowings (L3), thousand UAH	0	0	0
8. Permanent liabilities (L4), thousand UAH	1163	1167,3	1174
A1 – L1	-14	-716,2	-357
A2 – L2	94	355,8	-152
A3 – L3	60	51	1238
L4 – A4	140	-309,4	729

Source: calculated according to the financial statements

Regarding the values of absolute and intermediate liquidity ratios, ie deviations from the norm, however, this did not affect the positive dynamics of solvency of Galarg LLC in 2021. Thus, we can conclude that the level of liquidity and solvency are such that allow the normal functioning of the business and ensure the implementation of obligations to creditors.

The results of the analysis of staff productivity indicators allow us to state the presence of positive trends (Fig. 2.5). The growth is taking place against the background of higher growth rates of net income during 2019 - 2021 compared to changes in the number of employees.

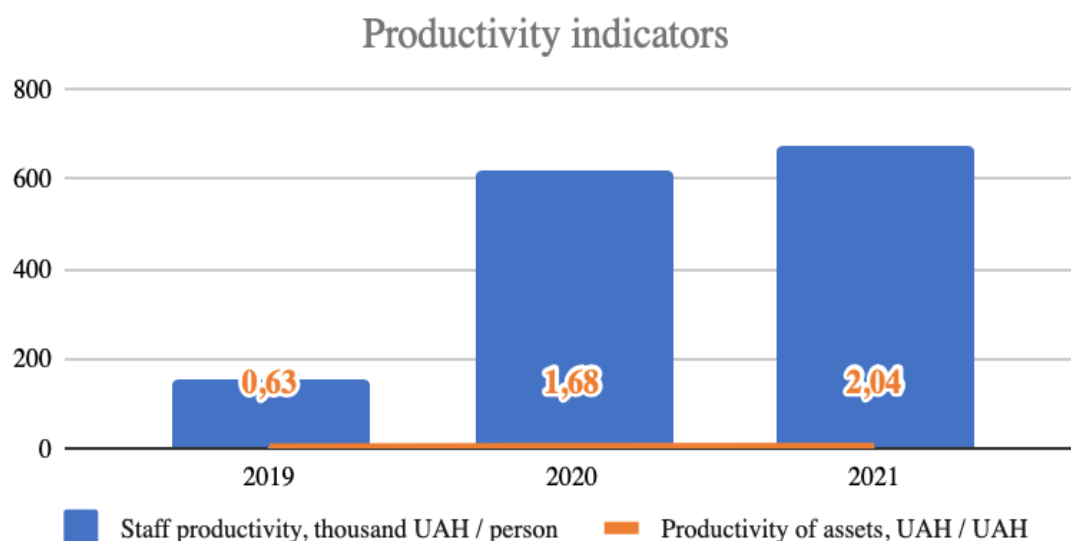


Figure 2.5 - Performance indicators of Galarg LLC in 2019 - 2021

Source: calculated according to the financial statements

Regarding the performance of assets, we can also conclude about the positive dynamics. Thus, the corresponding figure in 2021 compared to 2019 increased by 3.2 times. The results of the multifactor analysis of asset productivity (Table 2.6) show that in 2021 the most significant factor of influence is the slowdown in the turnover of current assets. Analysis of the turnover of working capital and its structural elements (Fig. 2.6) allows us to conclude that the slowdown in the turnover of current assets was influenced by the fact that significantly increased the period of turnover from 5 days to almost 112 days, which suggests that the company has certain problems of logistical support of business operation.

Table 2.6 - Indicators of multifactor analysis of the productivity of assets of Galarg LLC

Indicators	2019	2020	2021
Data			
1. Revenue, thousand UAH	922	3699,8	4045
2. Assets, thousand UAH	1457	2203,8	1979
3. Current assets, thousand UAH	434	727,1	1534

4. Borrowed capital, thousand UAH	294	1036,5	805
5. Equity, thousand UAH	1163	1167,3	1174
Influencing factors:			
6. Turnover ratio of current assets	2,12	5,09	2,64
7. Solvency ratio	1,48	0,70	1,91
8. Capital structure ratio	0,25	0,89	0,69
9. Coefficient of autonomy	0,80	0,53	0,59
Absolute change in productivity of assets due to changes, UAH / UAH:			
9. The turnover ratio of current assets		0,88	-0,81
10. Solvency ratio		-0,16	0,57
11. Coefficient of capital structure		1,81	-0,54
12. Coefficient of autonomy		-0,85	0,22

Source: calculated according to the financial statements

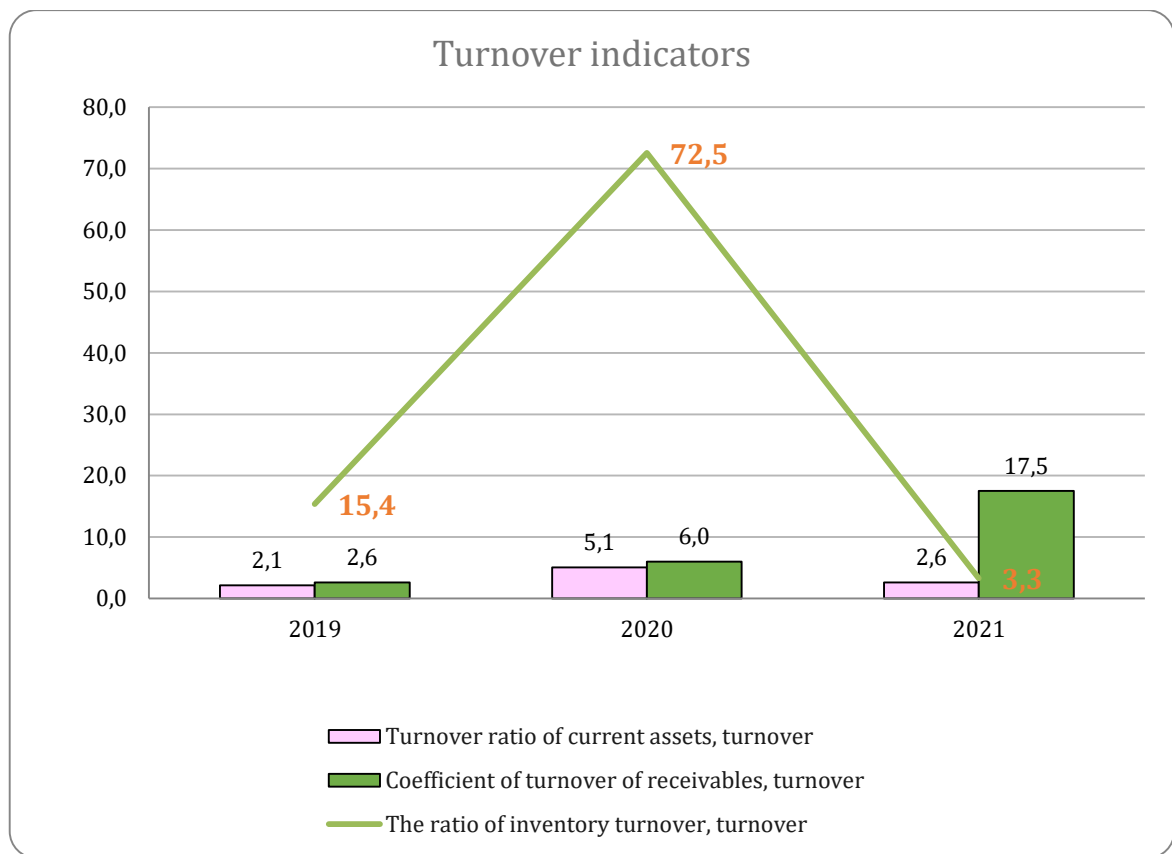


Figure 2.6 - Indicators of the turnover rate of working capital of Galarg LLC in 2019 - 2021

Source: calculated according to the financial statements

Analysis of the situation with the profitability of activities, the results of which are presented in Fig. 2.7 indicate the ambiguity of trends.

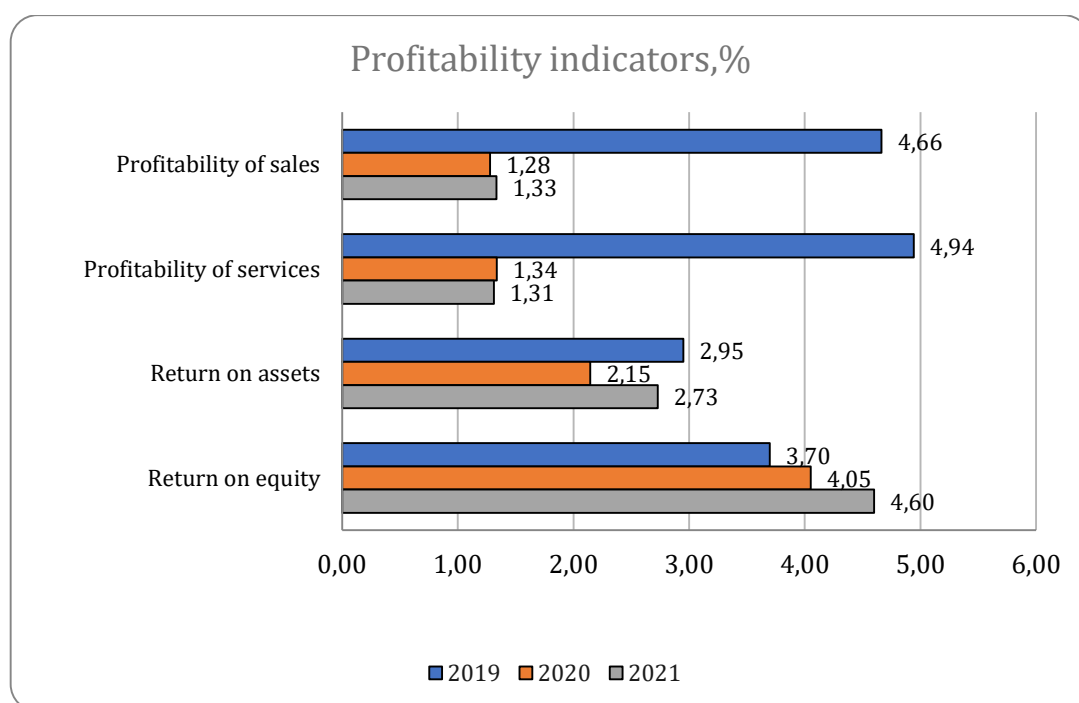


Figure 2.7 - Profitability indicators of Galarg LLC in 2019 – 2021

Source: calculated according to the financial statements

Thus, the return on equity in terms of net income is growing, which indicates that the growth rate of net income is relatively higher than the growth rate of equity. The value of return on assets in 2021, although higher than the corresponding figure for 2020, but is lower than in 2019. The same situation is typical for the profitability of services, where the corresponding value in 2021 is lower than in 2019. 3.5 times. Regarding the profitability of services, in 2021 the value of the corresponding indicator is the lowest for the studied period. During the operation of the business, the downward trend of this indicator continues, which is explained by higher growth rates of current costs against the background of changes in net profit. Thus, in 2020 compared to 2019 the profitability of services decreased by 3.73% due to an increase in costs by 2664 thousand UAH, in 2021 compared to 2020 - by 0.03%, due to an increase of 584 thousand. UAH (Table 2.7).

Table 2.7 - Indicators of factor analysis of the profitability of services of Galarg LLC

Indicators	2019	2020	2021
Influencing factors			
1. Net profit, thousand UAH	43	47,3	54
2. Current expenses, thousand UAH	870	3534,4	4118
Absolute change in profitability of services due to changes,%:			
3. Net income		0,12	0,16
4. Current costs		-3,73	-0,19
5. Aggregate influence of factors		-3,60	-0,03

Source: calculated according to the financial statements

If we analyze the profitability of Galarg LLC on the criterion of economic profit (Fig. 2.8), we can conclude that during the operation of the studied business was the destruction of value added capital. This is due to the fact that the level of return on capital was lower than the weighted average cost of capital formation, respectively, we note the presence of destructive trends in business value.

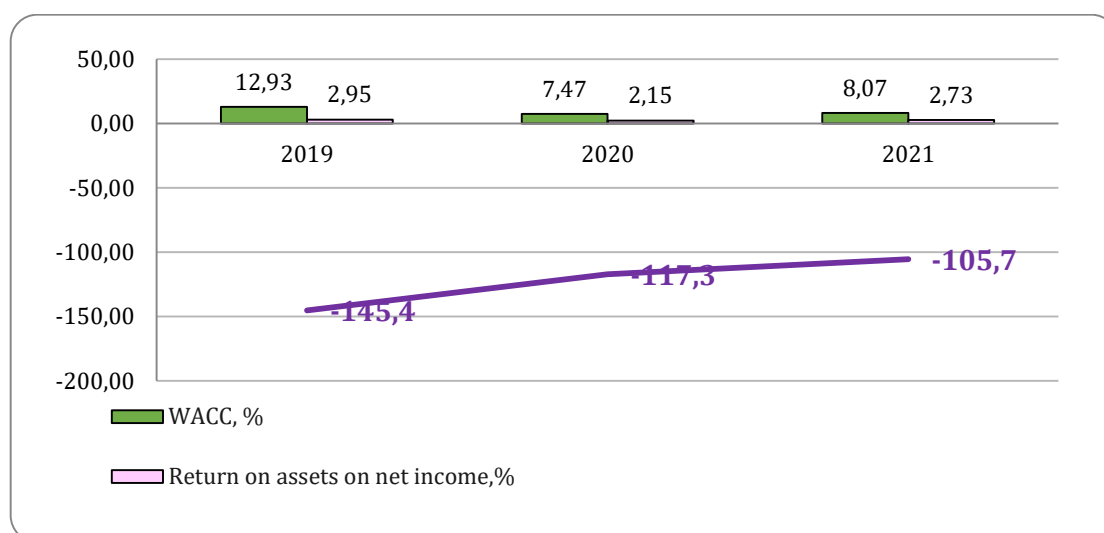


Figure 2.8 - Indicators of the formation of economic profit of Galarg LLC in 2019 - 2021.

Source: calculated according to the financial statements

However, if we analyze the dynamics of the intrinsic value of business, it is growing (Fig. 2.9). Thus, if in 2019 the value of the business was at the level of 1017.6 thousand UAH, in 2021 this figure increased to 1068.3 thousand UAH. or 5%.

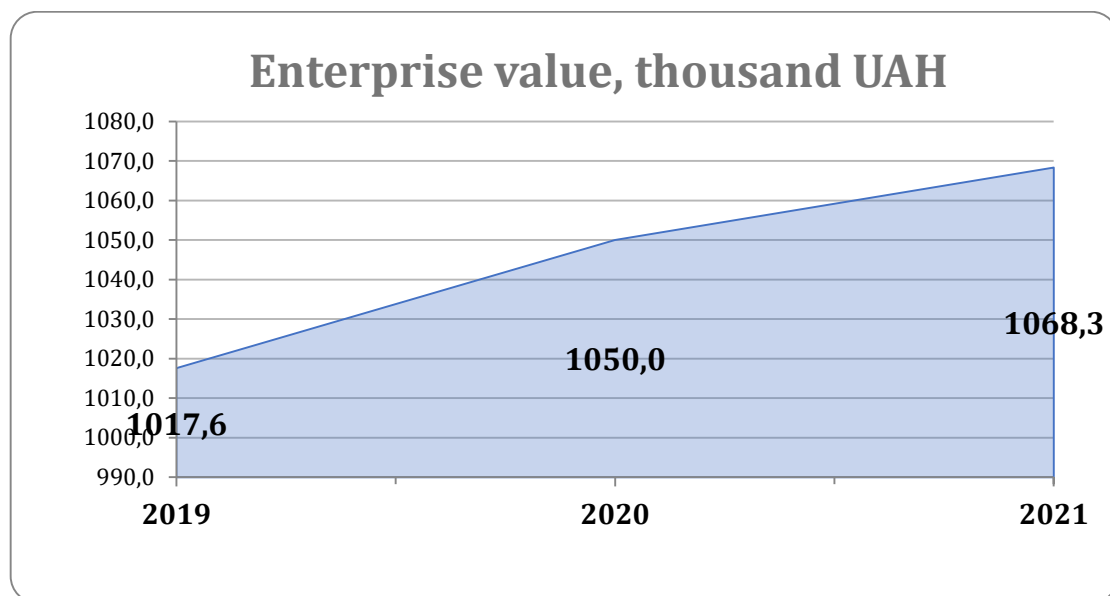


Figure 2.9 - Indicators of the internal value of Galarg LLC in 2019 - 2021.

Source: calculated according to the financial statements

At the same time, the formation of value was due to the increase of the resource base, however, the value added factor negatively affected the value of the business.

If we summarize the results of management diagnostics, we can conclude that given the difficult conditions of business, in general, we can say that management provides a sufficient level of efficiency. However, taking into account the identified problem areas, it is advisable to analyze in more detail the cost aspects that directly determine the financial and economic performance of Galarg LLC.

2.3. Management analysis of costs for the operation and development of the business

In the study of the conceptual foundations of cost management theory, it was determined that costs are divided into investment and current. Current costs are related to the production and sale of transport services provided by the company, and their formation occurs in all business processes of the company.

The results of the analysis of the dynamics and structure of current costs (Table 2.8) allow us to draw the following conclusions:

Table 2.8 - Current costs dynamics Indicators of the Galarg LLC in 2019 – 2021

Indicators	2019	2020	2021
1. Value, thousand UAH			
Current expenses	870	3642	4280
<i>including</i>			
material costs	414	1747	2061
basic salary	143	575	668
depreciation of assets	75	590	783
Administrative expenses	238	730	768
2. Growth (decrease) rates compared to the previous year			
Current expenses		4,19	1,18
<i>including</i>			
material costs		4,22	1,18
basic salary		4,02	1,16
depreciation of assets		7,89	1,33
Administrative expenses		3,07	1,05
3. The growth rate of costs compared to the 2019			
Current expenses			4,92
<i>including</i>			

material costs		4,97
basic salary		4,67
depreciation of assets		10,47
Administrative expenses		3,23

Source: calculated according to the financial statements

- during 2019 - 2021, current expenditures were characterized by growing dynamics. Thus, the total amount of current expenditures in 2021 compared to 2019 increased 4.92 times, compared to 2020 - 1.18 times. If we compare the growth rate of net income and current expenses (Fig. 2.10), we can conclude that costs grow faster than income, although the difference is not significant.

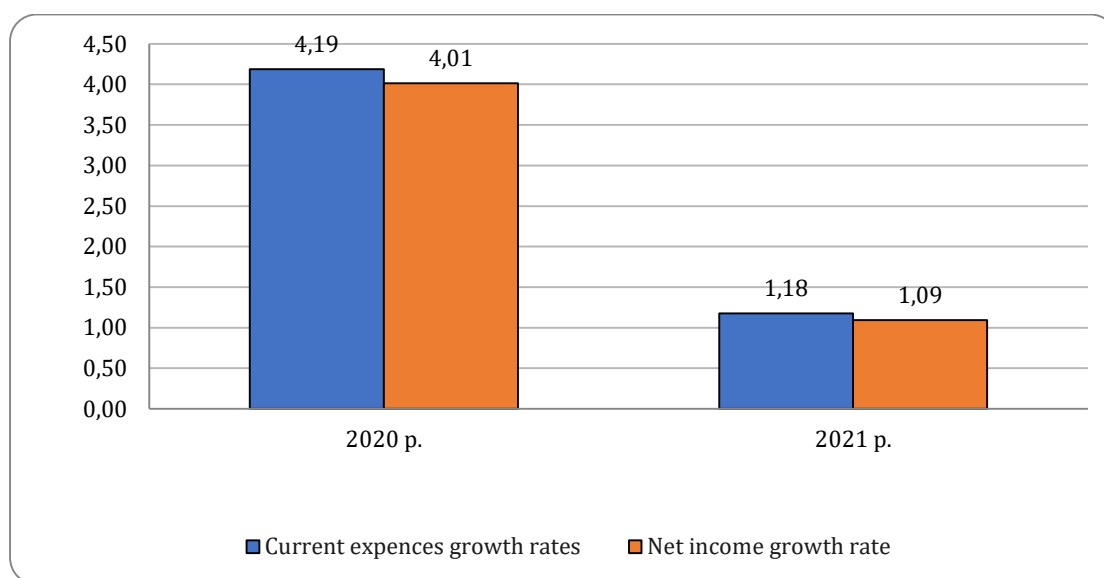


Figure 2.10 - Income and current expenditure growth rates

Source: calculated according to the financial statements

If we compare the growth rates of specific current expenditures and specific net income, there is also no significant difference in favor of faster growth of expenditures (Fig. 2.11);

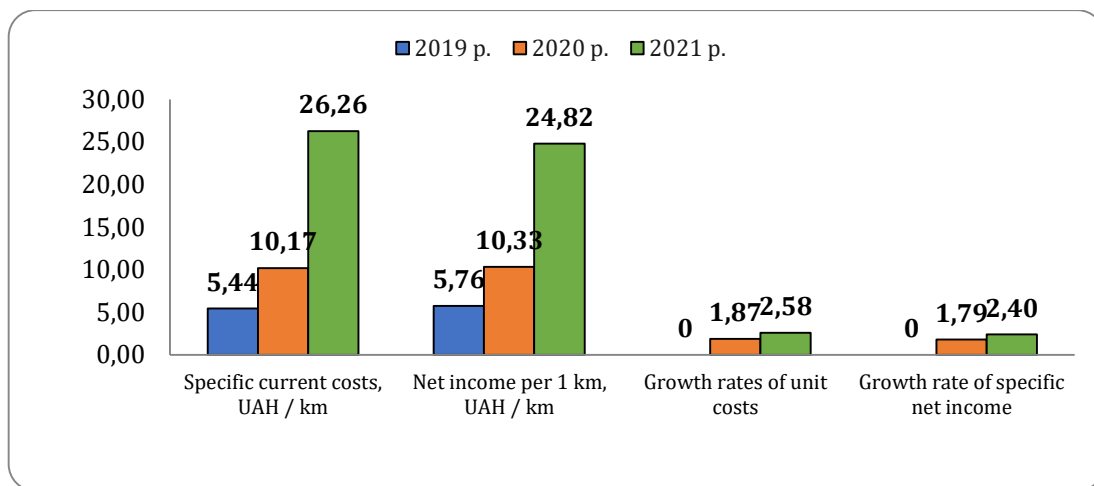


Figure 2.11 - Growth of specific revenues and specific current expenses

Source: calculated according to the financial statements

- the highest growth rates are depreciation deductions, which is explained by the commissioning of vehicles. The increase in material costs and wage costs in 2021 compared to 2019 was 4.97 and 4.67 times, respectively;

- the results of the analysis of the structure of current costs (Fig. 2.12) show that the largest share of material costs, which in 2021 exceeds 48%. Depreciation costs are 18.3%, administrative costs - 17.9%, basic salary - 15.6%.

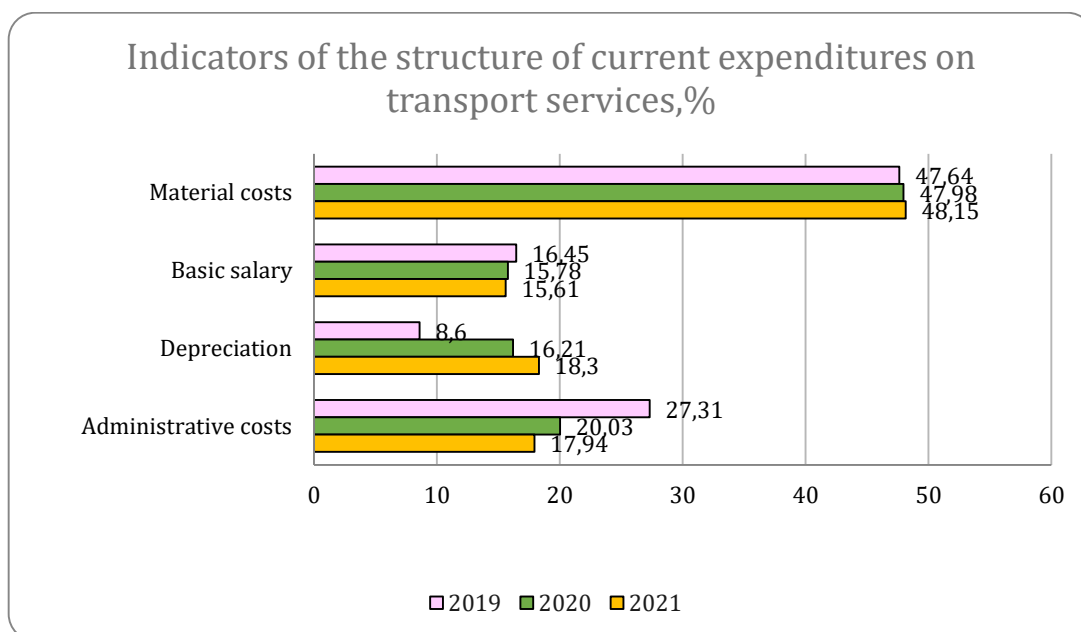


Figure 2.12 - Indicators of the structure of current expenditures

Source: calculated according to the financial statements

- in terms of cost of services, the dynamics of their changes is growing, which indicates the presence of problematic issues in the company's activities. Thus, the material consumption of services in 2021 compared to 2019 increased from 0.45 to 0.51 or 13.3%, depreciation - from 0.08 UAH / UAH to 0.19 UAH / UAH or 137.5 %; cost - from 0.94 UAH / UAH to 1.06 UAH / UAH or by 6.3% (Fig. 2.13).

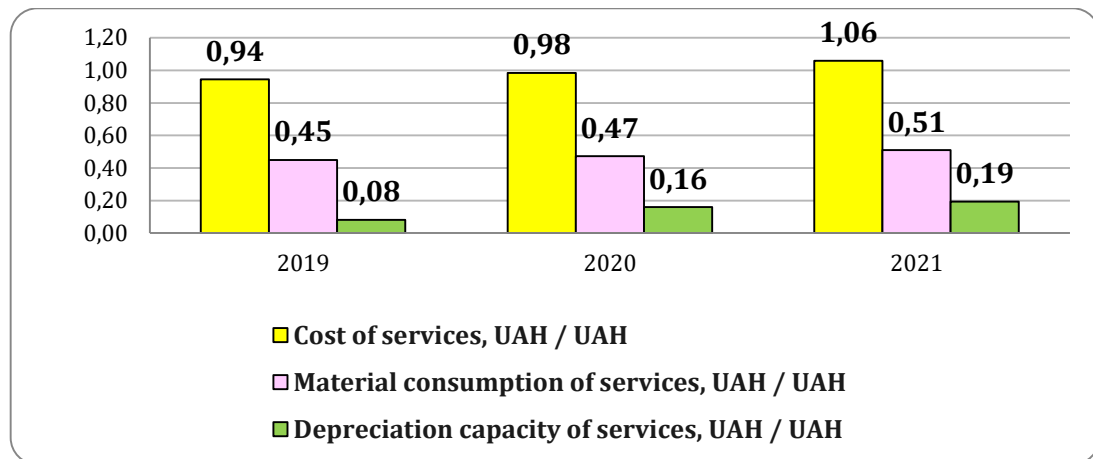


Figure 2.13 - Indicators of cost of services of Galarg LLC in 2019 – 2021

Source: calculated according to the financial statements

If we analyze the structure and dynamics of current costs in terms of dependence / independence from production and sales of services, we can conclude that the ratio between fixed and variable costs is relatively stable and ranges from 36% fixed and 64% variable costs (Fig. 2.14).

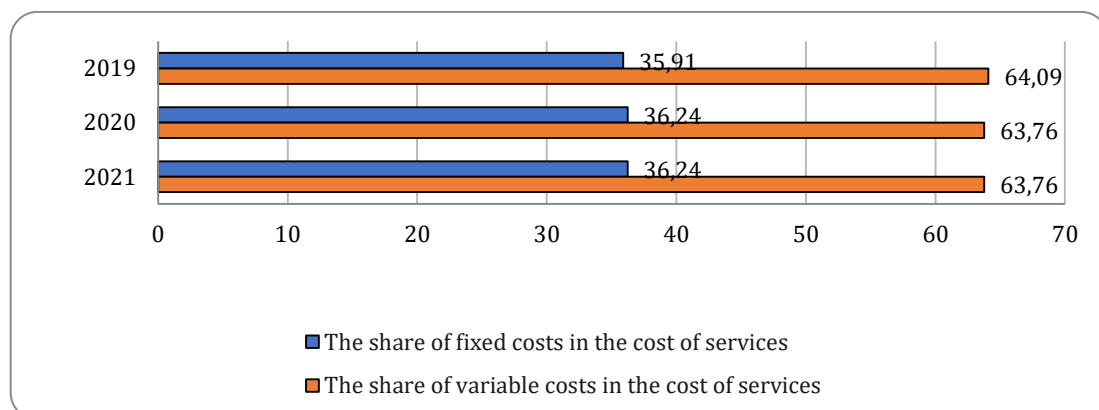


Figure 2.14 - Indicators of the structure of costs depending on the volume of production and sales of services

Source: calculated according to the financial statements

Regarding the dynamics of marginal profit, despite the fact that in 2021 compared to 2019 its value increased 3.6 times, it is worth noting the declining dynamics compared to 2020 (Fig. 2.15).

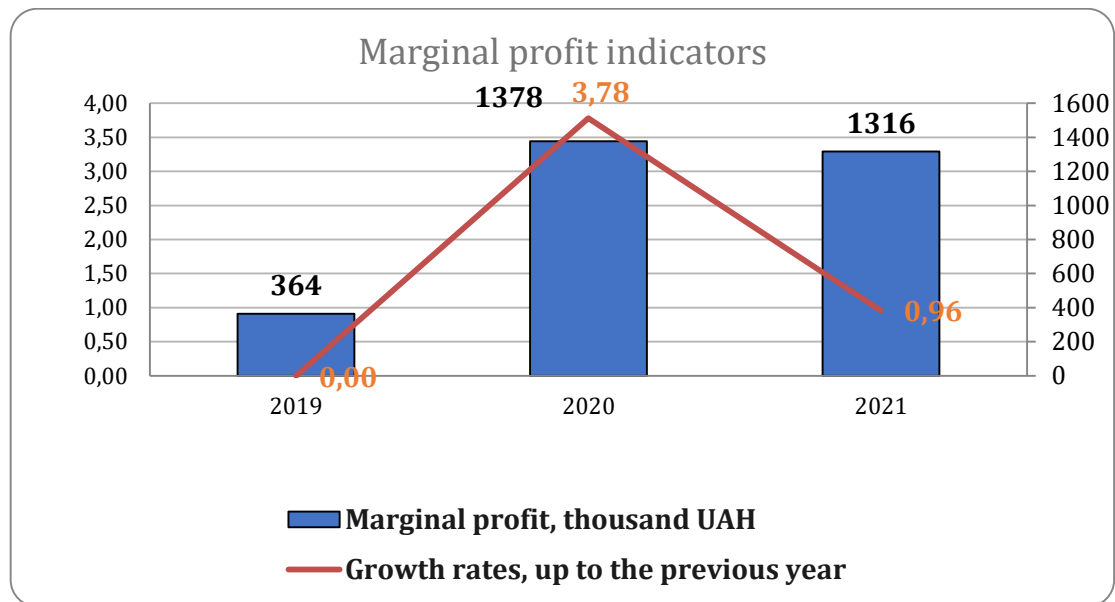


Figure 2.15 - Margin profit indicators of Galarg LLC in 2019-2021.

Source: calculated according to the financial statements

This is explained by the imbalance in the growth rate of net income and current expenses of the company and, accordingly, reflected in the values of the gross margin ratio, which is characterized by a steady downward trend (Fig. 2.16).

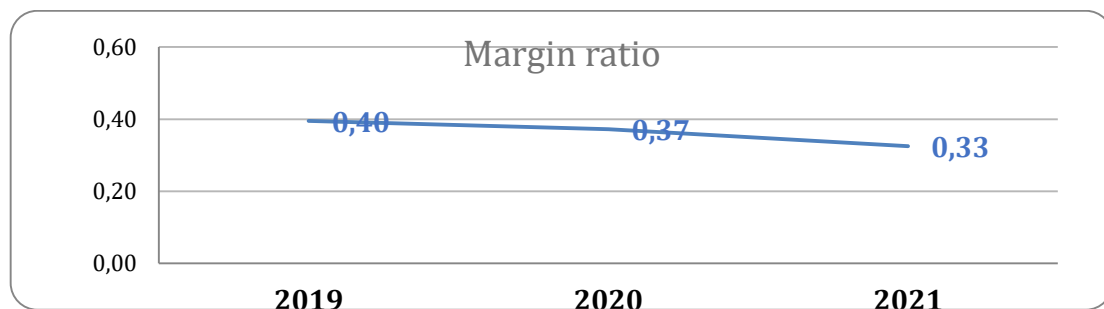


Figure 2.16 - Indicators of the gross margin ratio of Galarg LLC in 2019 – 2021

Source: calculated according to the financial statements

The trend towards the values of the break-even point and the margin of financial strength is negative (Fig. 2.17). Thus, the profitability threshold in 2021 compared to 2020 increased by 34.4% (from 3545 thousand UAH to 4767 thousand UAH). However, the mileage in 2021 compared to 2020 decreased by 54.5%.

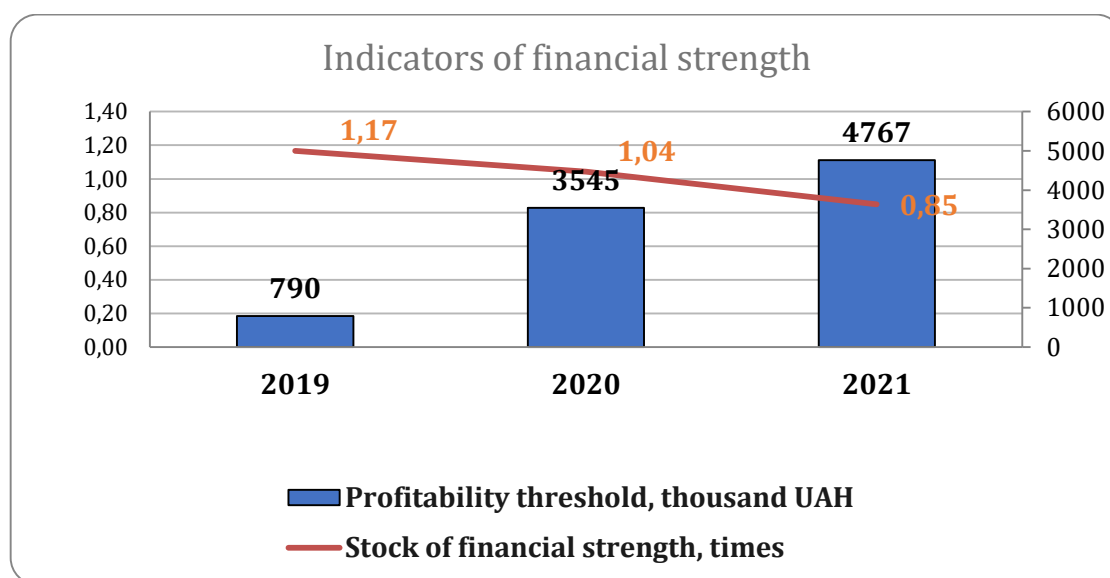


Figure 2.17 - Indicators of critical values of sales of services of Galarg LLC in 2019 - 2021.

Source: calculated according to the financial statements

And the value of the break-even point in 2021 (503,560 km) was 3.1 times greater than the actual mileage (163,000 km) (Fig. 2.18).

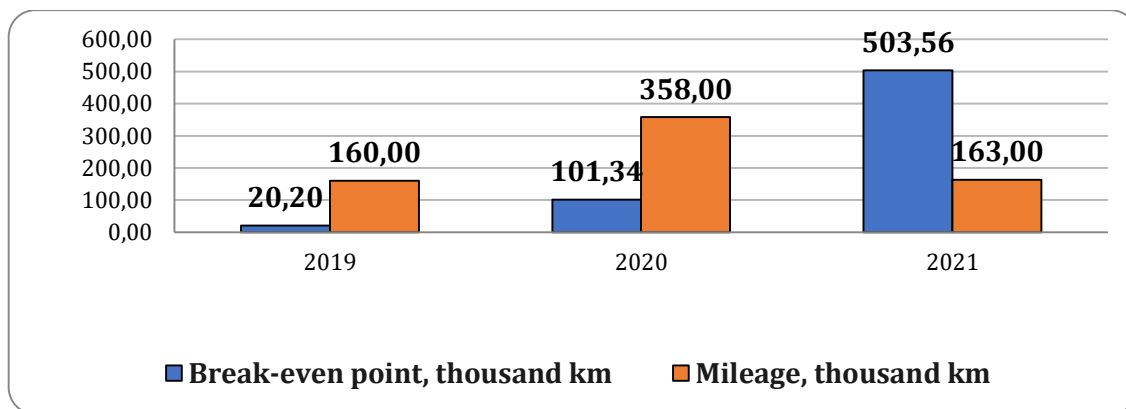


Figure 2.18 - Breakeven indicators of sales of services of Galarg LLC in 2019 – 2021

Source: calculated according to the financial statements

The presented calculations allow a fairly thorough analysis of causation in relation to which factors are critical in determining the financial and economic results of the operation and development of the business. It is worth noting that given the small scale of the business, management did not consider it appropriate to focus on organizing the process of cost management in the enterprise. However, given the plans to expand the scope of activities, it is advisable to take a more reasonable approach to issues related to the analysis of the cost of business development, the organization of continuous monitoring and control of key indicators that are indicative of whether management can achieve the planned financial economic results of Galarg LLC.

CHAPTER 3.

FORMATION OF COST MANAGEMENT SYSTEM OF GALARG LLC

3.1. Organizational and methodological aspects of forming a cost management system of the studied business

According to the results of the management analysis of the business activities of Galarg LLC, the significance and relevance of this issue for the researched business was conducted. However, given the relatively short period of operation and development of the enterprise, the company's management did not focus on cost management, not because of their secondary nature, but because of the priority tasks related to the organization and stabilization of operations. However, higher financial results in 2020 and their reduction in 2021 against the background of a steady trend of rising costs, the issue of forming a cost management system of Galarg LLC is becoming a priority.

Based on the results of generalization of theoretical and methodological achievements in the field of cost management, the author's vision of the cost management system is formed, which can be effective in terms of implementation at the company "Galarg". In a formalized form, it is presented in Fig. 3.1, and its main features are:

- regarding the principles of forming a cost management system, their list is a certain mix of those presented on the pages of academic and scientific publications. However, there are principles that scientists do not highlight. This principle is to improve information support.

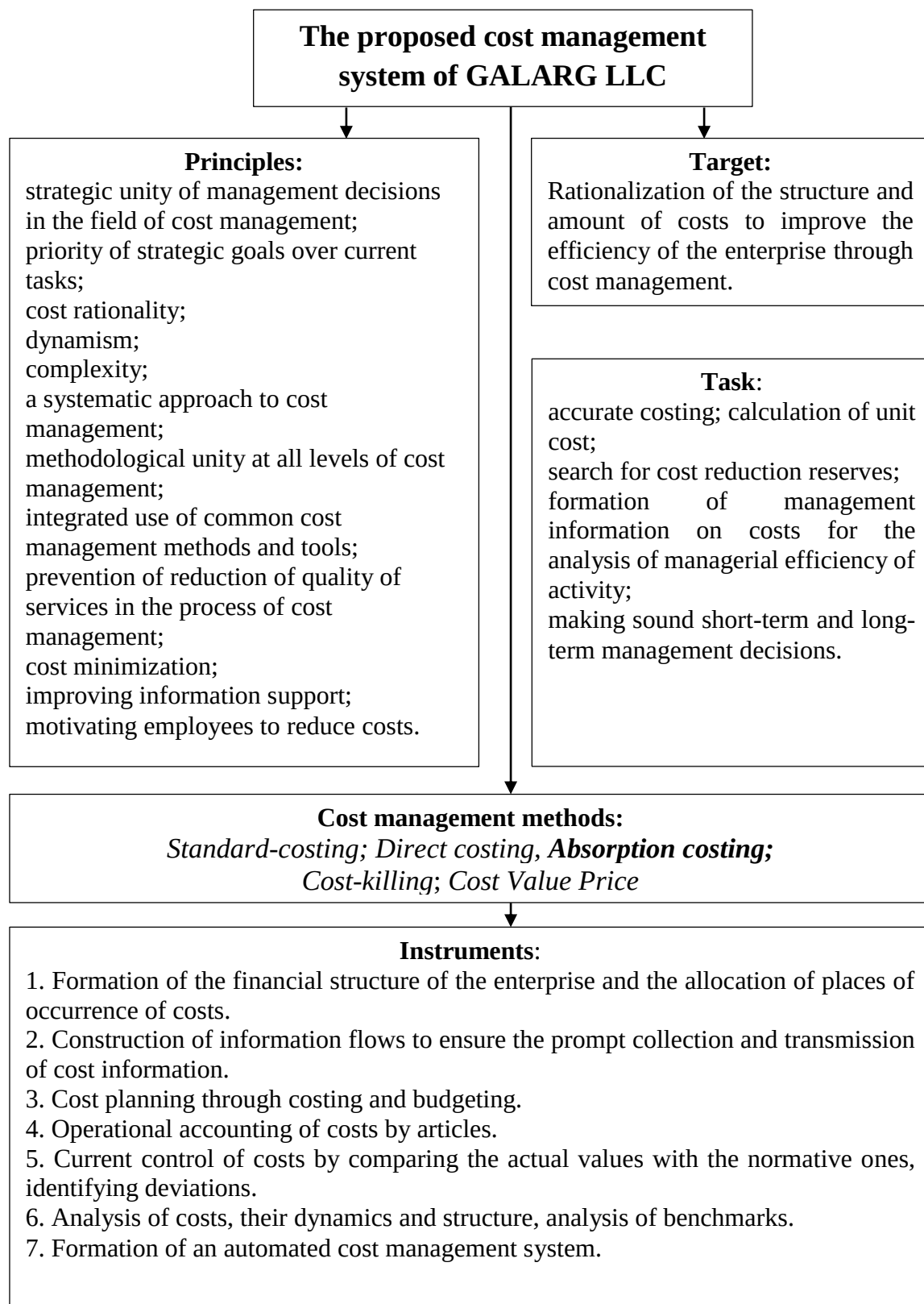


Figure 3.1 - Conceptual author's vision of the cost management system of Galarg LLC

The implementation of this principle requires the development of both input templates, which contain a full range of information on enterprise costs, and templates with the results of continuous cost analysis, which are available to management in real time. In

part, such source templates can be based on those presented in paragraph 2.3 of this master's thesis. Since the presented results multifacetedly characterize the possible criteria and systems of indicators that can be used for cost analysis;

- regarding the goals of forming a cost management system, they are traditionally defined by scientists as cost optimization. In our opinion, it is difficult to talk about optimization in a practical format, as there are many factors in the business environment that are beyond the control of the company's management. Accordingly, it is not a question of optimization, but of rationalization, as a compromise solution for costs, taking into account the action of factors that are not subject to strict mathematical formalization;

- with regard to the tasks to be solved by the cost management system of Galarg LLC, first of all, it is a question of clarity of definition of both total current and unit costs, as constant monitoring of changes and deviations allows timely detection of weaknesses and cost reduction reserves;

- if we characterize the methodological tools of cost management, we can talk about a fairly wide range of available methods and management tools. The results of critical analysis in terms of solving functional problems of cost management (Table 3.1) allowed to identify such methods that could be used in the enterprise in the implementation of cost management. Functional capabilities of cost management methods relevant for Galarg LLC are formalized and presented in table. 3.2. Taking into account certain advantages and relevance for making management decisions, taking into account the specifics of the activities of Galarg LLC it is proposed to use a set of different methods of cost management, which will significantly expand the capabilities and effectiveness of the system;

Table 3.1 - The results of critical analysis of the functionality of cost management methods of the enterprise

Cost management methods	Prognostication	Planning	Accounting	Analysis	Control	Optimization
<i>Absorption-Costing</i>	-	+/-	+	+/-	-	-
<i>Direct-Costing</i>	-	+/-	+	+	+/-	-
<i>Standard-Costing</i>	-	+	+	+	+	-
<i>Life-Cycle-Costing</i>	-	+	+/-	+	+	+
<i>Target-Costing</i>	-	+	-	+/-	-	+
<i>Kaizen-Costing</i>	+/-	-	-	+/-	+/-	+
<i>Activity Based Costing</i>	-	-	+	+	-	+
<i>Value Chain Concept</i>	-	-	-	+	-	-
<i>CVP (Cost Value Price)</i>	-	+	+/-	+	+/-	+

Source: developed and formalized by the author

Table 3.2 - Provisions that are relevant for Galarg LLC in terms of using methodological tools for cost management

Method	Provisions that can be used in the activities of GALARG LLC
<i>Standard-costing</i>	The main purpose of the system is to identify losses and deviations in the company's profits. Establishment of conditions for identifying deviations from the norms at the places of their occurrence, as well as the establishment and analysis of the reasons for their occurrence. Determination of the actual cost of transport services as the sum of the standard cost, deviations from the norms and their changes.
<i>Absorption costing</i>	Inclusion in addition to direct costs, all, both variable and fixed costs, in the cost of transport services.
<i>Cost-killing</i>	<i>Internal costkilling:</i> reasonable classification of costs; selection of an appropriate model for the distribution of fixed costs and costing; creation of a system for monitoring costs, tracking deviations and searching for reserves to reduce costs; ensuring information transparency of the organization; creation of an effective procurement logistics system. <i>External costkilling:</i> forced renegotiation of contracts with existing suppliers; conducting tenders (psychological method of costkilling); search for new partners; combining "purchasing" efforts with other companies, etc.
<i>Cost Value Price</i>	Ensure more in-depth financial analysis of the service rate of employees at the cost of regular and change of service

Source: developed and formalized by the author

- for the tools of the cost management system, their classic list will be used, which is described in the academic and scientific literature. However, in the future the main focus will be on the development and implementation of an automated cost management system, which will be considered as one of the key components of the corporate automated business management system.

Summarizing the above considerations allow us to draw the following conclusion. The study of different conceptual approaches to the formation of cost management system, as well as the choice of cost management methods among those described in the scientific literature, led to the idea that the company can use a mixed approach. It involves the selection of such positive points among the existing ones that are relevant to the company under study. Such a mixed cost management system can be implemented in a single information space, which is synchronized with the data of accounting, finance and management. Within such a cost management system, the principles and tools of Standard-costing can be implemented simultaneously; Direct costing, Absorption costing, Cost-killing; Cost Value Price. The implementation of such a management system involves the

development of the concept of templates for both source information and forms of analysis and final reports. This will allow you to multifacetedly characterize the cost aspects of the business and respond in a timely manner to deviations.

The implementation of such a cost management system can take place in two ways - on the company's own and on the basis of outsourcing. Organizational aspects of the practical implementation of this proposal are formally presented in table. 3.3. From the point of view of the organization of implementation of the formed system of management of expenses we have allocated such directions.

Processes that actually involve the development of the concept of cost management system as part of a corporate information system. Taking into account the already defined methods and tools of cost management, it is necessary to develop a canvas (templates) of input and output information reporting. If this part of the project is implemented on its own, the implementation period is October 2022. If the outsourcing scheme is used, this process will be faster by a month - the completion date is September 2022.

Table 3.3 - Organizational aspects of the implementation of the cost management system of Galarg LLC

Events	Terms of implementation		Performer	
	1 way (on ones own)	2 way (outsourcing)	1 way	2 way
<i>Processes.</i> Develop the concept of cost management system Determine the methods of monitoring and control over the quality of processes and the results of regulations. Develop an outline and management reporting templates	September October 2022	September 2022 p.	Company management	INTELLECT SERVICE LLC
<i>Information space.</i> Formation of the concept of a single information space where the cost management system will be installed.	October 2022 - January 2023	September - November 2022		
<i>Information systems of accounting, analysis and management.</i> Streamlining the choice of information systems (according to the criterion of compatibility of use and integration of data into a single information space).	December January 2023	November 2022		
<i>Digitization of cost management system</i>	January - April 2023	December 2022 January 2023		
<i>Personnel training.</i>	April 2023	January 2023		

Source: generated by the author.

Information space. This aspect involves the formation of a single information space of the company, where one of the key components will be developed cost management system. At this stage, information flow schemes, areas of responsibility, KRI systems, information security issues, etc. should be developed. The implementation deadlines for the two alternative ways to implement a cost management system differ by 2 months in favor of the outsourcing option.

Information systems of accounting, analysis and management. This stage involves streamlining the choice of information systems (according to the criterion of compatibility of use and integration of data into a single information space). Thus, different software products can be used for different needs of making and implementing management decisions in different areas of the enterprise. In order to synchronize them and provide technological support, this stage of the project is being implemented. If a professional company is involved, it is this function that implements it. If the project is implemented on its own, this process is longer, at least 2 months.

Direct digitization of the cost management system, its commissioning and staff training. This stage involves the implementation of purely technical work and commissioning of the system. In fact, this is the last stage of implementation, and the difference in terms of alternatives is 3 months.

3.2. Economic justification of the feasibility of implementing a cost management system of Galarg LLC

The economic substantiation of expediency of introduction of the formed system of management of expenses will be considered in the context of realization of the project of expansion of activity of the company. According to the development plan, in the second half of 2022, investments in the amount of UAH 2,400,000 are planned, which will be aimed at expanding the company's vehicle fleet. As a result, the expected results are an increase in mileage in 2022 by 11% compared to the data that could provide the company at the beginning of the year, and 25% annually since 2023. Given the situation in the energy market, which amounted to 24.02 % in 2022 in the parameters of the project management set the growth rate of fuel prices at 1.8, the growth rate of prices for transport services - 1.5 (Fig. 3.2). According to the development targets, the growth rate of net income, taking into account higher capacity and rising prices for services may be at the level of:

2022 - UAH 11,893,000;

2023 - UAH 22,300,000;

2024 - UAH 33,450,000.

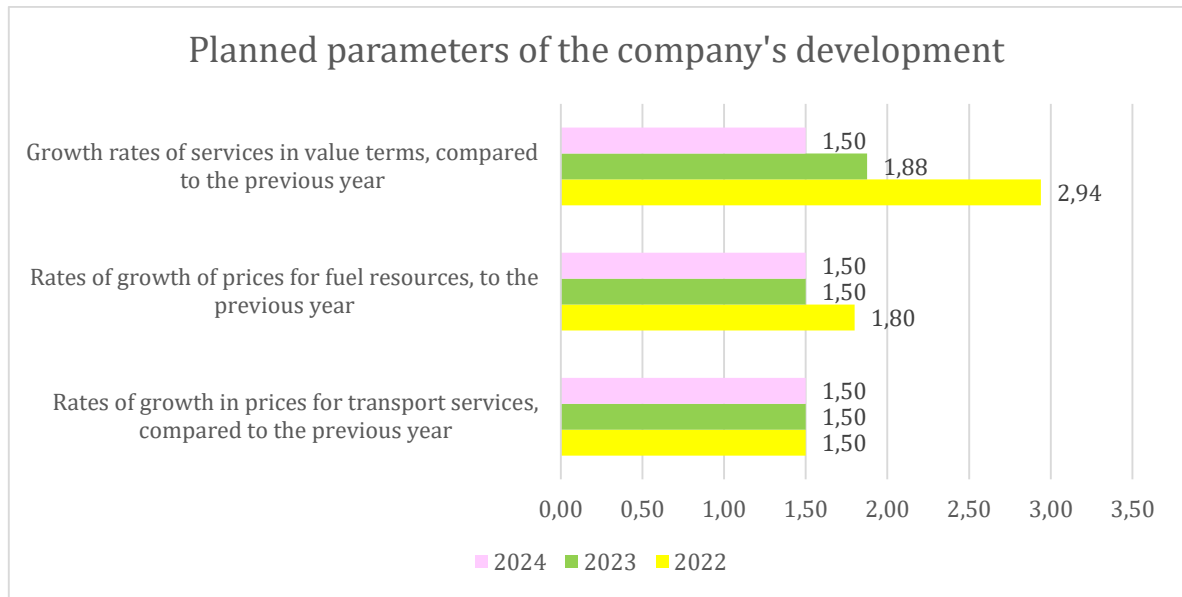


Figure 3.2 - Development indicators of Galarg LLC

Source: company management reporting data

The introduction of a cost management system will certainly not affect the volume of services provided and net income. However, with the implementation of investments, management effects will be achieved, which are able to provide relatively better solutions in the field of cost formation, the implementation of their constant monitoring and control. Such issues are especially relevant in the context of expanding the scope of Galarg LLC.

Given the implementation of the project of forming a cost management system in the first place will need to hire at least two people (a specialist who will directly develop and implement the concept of a single information space and programmer), as well as the cost of software acquisition and digitization. Subject to the implementation of the project on the basis of outsourcing (by prior agreement, the contractor may be LLC "Intellect Service"), the total amount of payments will include the development and digitization and maintenance of ADMS (automatic data management system), including company costs.

According to the schedule of the project implementation of the cost management system, investments, which are primarily related to the digitization of processes and the purchase of appropriate software, will be:

1st way – 80,000 UAH in 2023;

2nd way- 150,000 UAH in 2023 (Fig. 3.3).

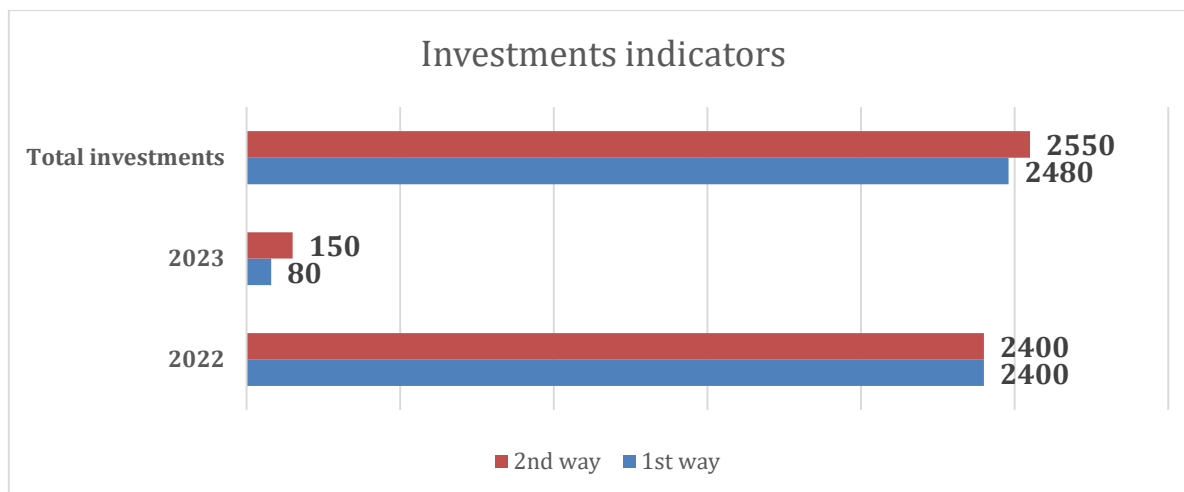


Figure 3.3 - Indicators of investment by alternative options for the project implementation of the cost management system of Galarg LLC

Source: author's calculations

The main part of the costs incurred during the project will determine changes in the planned current costs of the company. Thus, the increase in current expenses in the first option will be associated with increased administrative costs in terms of salaries and software depreciation. If the project is implemented, the second way to increase administrative costs will be due to the depreciation of software and payment for information services of LLC "Intellect-Service". If we compare the scale of changes in fixed costs of the company compared to the planned development option in the implementation of the project to implement a cost management system in different ways, in general, they will be the first way - 438 thousand UAH; for the second - 320 thousand UAH. (Fig. 3.4).

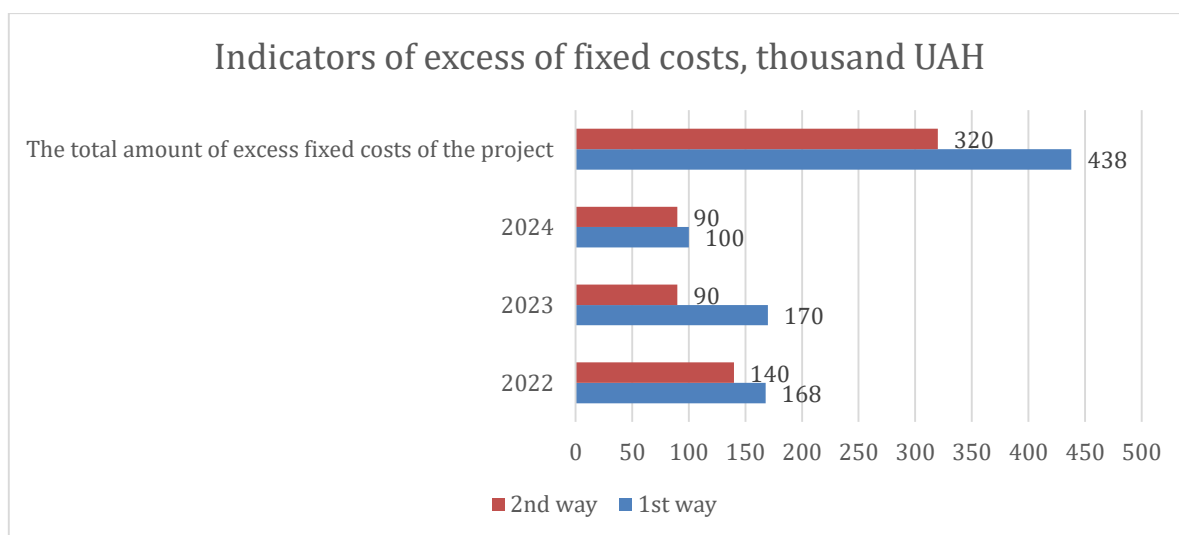


Figure 3.4 - Indicators of fixed costs excess for alternative options for the cost management project implementation of Galarg LLC

Source: author's calculations

Variable costs will remain at the planned level, so the direct implementation of the cost management system at Galarg LLC does not affect the total amount of variable costs.

According to the results of the economic justification of the choice of the method of implementation of the cost management system (Table 3.4) it was determined:

- the amount of operating and net profits for 2 methods of project implementation compared to 1 is higher, respectively, by 118 thousand UAH and 96.8 thousand UAH (Fig. 3.5). The difference in financial and economic results is not significant, which allows us to talk about the economic feasibility of both options, as they, despite the cost, do not affect the fact that the company will be profitable;

Table 3.4 - Indicators of the formation of financial and economic results by alternative methods of implementing the cost management project of Galarg LLC

Indicators	2022	2023	2024	Total
1	2	3	4	5
1 st way				
1. Net income, thousand UAH	11893	22300	33450	67643
2. Current expenses, thousand UAH:	6758	11473	15893	34124
<i>including</i>				
Fixed cost	1468	2018	2173	5658
Variable cost	5291	9456	13720	28466
3. Operating profit, thousand UAH	5135	10826	17557	33519
4. Income tax, thousand UAH	924	1949	3160	6033
5. Net profit, thousand UAH	4211	8878	14397	27485
6. Cash flow, thousand UAH	4571	9598	15117	29285
7. Investments, thousand UAH	2400	80		2480
8. Discount multiplier for 25% rate	1,000	0,800	0,640	
9. Discounted cash flows, thousand UAH	4571	7678	9675	21924
10. Discounted investments, thousand UAH	2400	64	0	2464
11. Net present value, thousand UAH	19460			
12. Return on investment index, thousand UAH	8,9			
13. Payback period, years				0,33
2 nd way				
1. Net income, thousand UAH	11893	22300	33450	67643
2. Current expenses, thousand UAH:	6730	11393	15883	34006
<i>including</i>				
Fixed cost	1440	1938	2163	5540
Variable cost	5291	9456	13720	28466
3. Operating profit, thousand UAH	5163	10906	17567	33637
4. Income tax, thousand UAH	929	1963	3162	6055
5. Net profit, thousand UAH	4234	8943	14405	27582

6. Cash flow, thousand UAH	4594	9663	15125	29382
7. Investments, thousand UAH	2400	150		2550
8. Discount multiplier for 25% rate	1,000	0,800	0,640	
9. Discounted cash flows, thousand UAH	4594	7731	9680	22004
10. Discounted investments, thousand UAH	2400	120	0	2520
11. Net present value, thousand UAH	19484			
1	2	3	4	5
12. Return on investment index, thousand UAH	8,7			
13. Payback period, years				0,34

Source: author's calculations

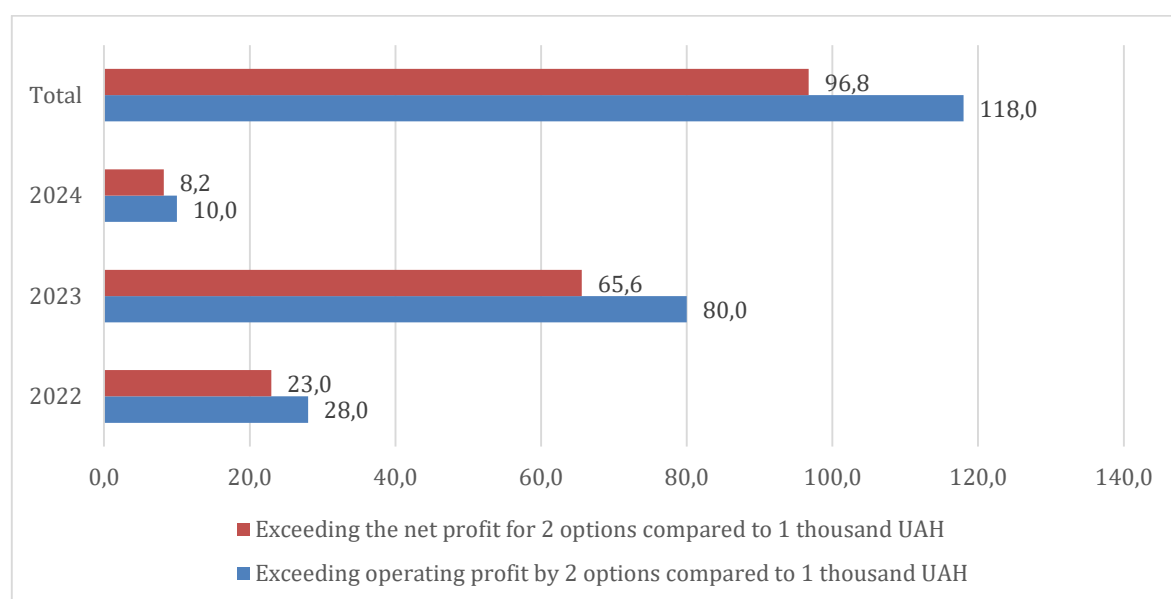


Figure 3.5 - Profit excess indicators for alternative project implementation options

Source: author's calculations

- if we analyze the feasibility of the project in different ways on the criterion of investment cost efficiency, it should also be noted that the difference is not significant. However, the positive values of net present value (respectively 19460 thousand UAH and 19484 thousand UAH), high index profitability (8.9 and 8.7), and rapid payback of investment costs (0.33 years and 0.34 years) indicate a high level of investment efficiency and economic feasibility of the project, regardless of the choice of implementation. It is worth noting that when calculating performance indicators, the discount rate was taken at 25%. This choice is due to the fact that the National Bank of Ukraine raised the refinancing rate to 25%. Despite the fact that at the planning stage a rate of 15% was set, its increase did

not significantly affect the investment efficiency of the project, as it is financed from its own funds.

If we analyze the level of sensitivity of the project implementation of the cost management system to changes in prices and the volume of services (mileage), we can conclude that the level of sensitivity to price is relatively high. Thus, if the price changes by 1%, operating and net profit will change by 2, 08% (Fig. 3.6).

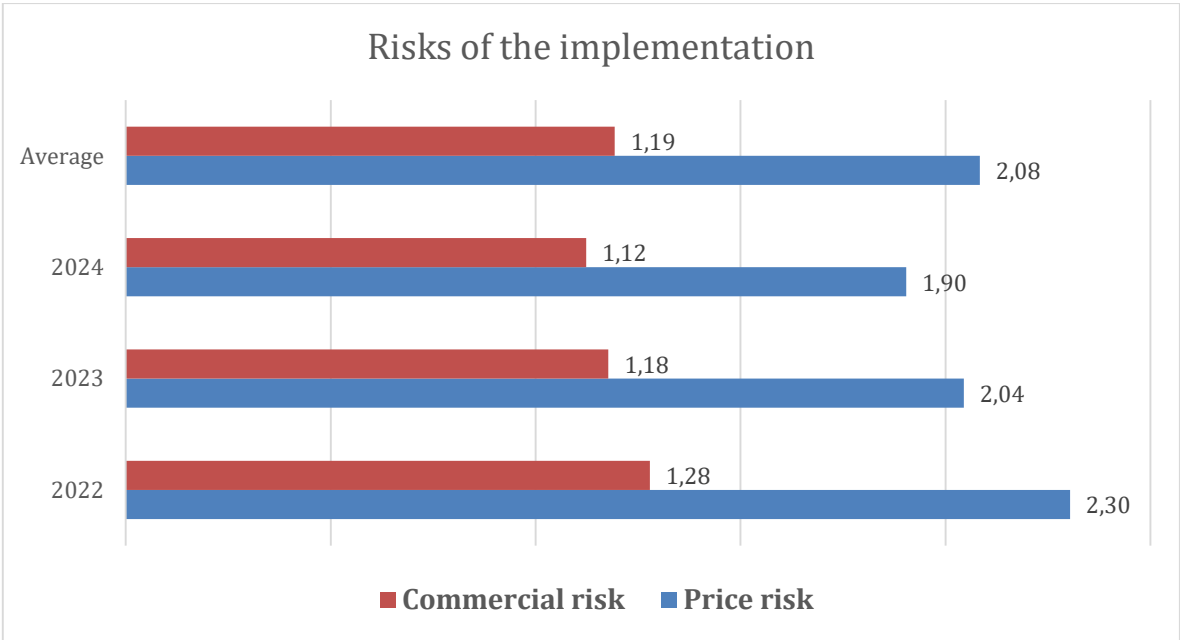


Figure 3.6 - Risk indicators for the implementation of an automated cost management system

Source: author's calculations

With regard to commercial risk, the situation is such that if the mileage changes by 1%, operating and net profits will change by 1.19%. Since in martial law the demand for transportation is very high, we can only count on the growth of services, which will be accompanied by a relatively higher growth rate of financial and economic results.

Thus, the above argumentation suggests that the implementation of the project of digitalization of cost management system Galarg LLC despite the cost, does not fundamentally change the expected financial and economic performance, while providing social and managerial effects.

3.3. Organizational and social effects the cost management system implementation for Galarg LLC

Implementation of a conceptual approach to the formation of a cost management system and its implementation in the context of creating a single information space Galarg LLC provides a set of effects that will positively affect the quality of management decisions. Thus, the presence of an automated cost management system provides a single information base in which the source information is accumulated from both accounting data and environmental research data. This provides a complete source of information for further analysis and forecasting of costs and performance of the company, which allows the cost management system to perform its function of preventive nature. That is, simply stating the facts about the costs is a useless process. The available information should be processed in such a way as to provide information in terms of identifying critical points and critical deviations in the company's activities.

As an example, we can present the forecast results in the format of business intelligence in the cost management system, which was developed for implementation. Using a set of tools Standard-Costing, Direct-Costing, CVP-method, we can identify critical points in the activities of Galarg LLC in the forecast 2022 - 2024 (Table 3.5).

According to the presented calculations, the critical value of net income and break-even point are determined, the values of which at the forecasting stage are such that allow to optimistically characterize the prospects of business development.

Table 3.5 - Indicators for determining critical points in the activities of Galarg LLC based on the use of analytical management tools

Indicators	2022	2023	2024	Average
1	2	3	4	5
1 st way				
1. Marginal profit, thousand UAH	6603	12844	19730	13059
2. Gross margin ratio	0,56	0,58	0,59	0,57
3. Profitability threshold, thousand UAH	2644	3503	3684	3277
4. Stock of financial strength in terms of value:				
Amount of times	4,50	6,37	9,08	6,65
thousand UAH	9250	18797	29766	19271
5. Break-even mileage, thousand km	223	186	127	179
6. Stock of financial strength by mileage:				
Amount of times	1,80	2,68	3,95	2,81
thousand UAH	177	314	373	288
2 nd way				
1. Marginal profit, thousand UAH	6603	12844	19730	13059
2. Gross margin ratio	0,56	0,58	0,59	0,57

3. Profitability threshold, thousand UAH	2593	3364	3667	3208
4. Stock of financial strength in terms of value:				
Amount of times	4,59	6,63	9,12	6,78
thousand UAH	9300	18936	29783	19340
5. Break-even mileage, thousand km	218	179	126	174
6. Stock of financial strength by mileage:				
Amount of times	1,83	2,79	3,97	2,86
thousand UAH	182	321	374	292

Source: author's calculations

Thus, the critical mileage was determined, which is 2.8 times less than the planned volumes. Regarding the critical value of revenues from the provision of services, the actual projected values are more than 6 times higher than the critical ones. Based on these indicators in real time, you can analyze the deviations and the causes of such deviations.

Also in this context, indicators of cost-intensive activities are very important (Fig. 3.7), which can be calculated by type of costs, and constant monitoring of their dynamics and comparison with projected values is also quite informative in terms of control and flexibility of cost management system.

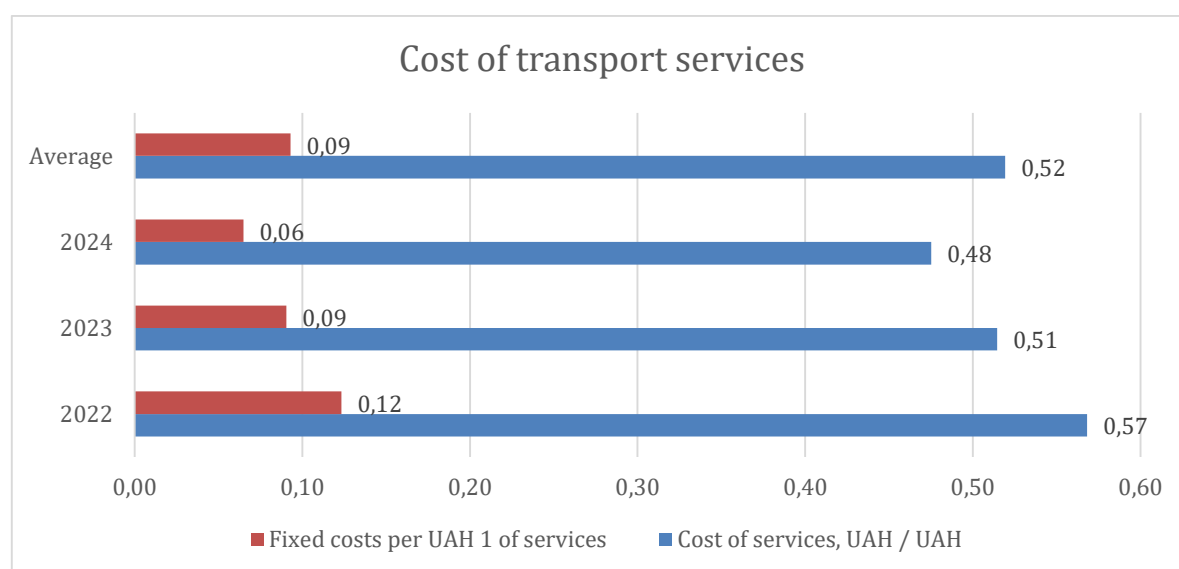


Figure 3.7 - Cost of transport services Indicators of Galarg LLC in 2022 - 2024.

Source: author's calculations

Given the small scale of the company's activities, it is quite easy to constantly monitor deviations from critical points. In addition, in the course of identifying such deviations, the company's budgets and plans can be reviewed situationally, taking into account changes that

occur in an unstable business environment. In addition, with the introduction of an automated cost management system, the cost subsystem will be constantly monitored and coordinated with other subsystems of the single information space, which will also provide flexibility and adaptability. The organizational consequences of the implementation of the cost management system in the practice of Galarg LLC are systematically and formally presented in Fig. 3.8.

One of the key factors in ensuring the effectiveness of business development in post-industrial economic conditions is corporate social responsibility (CSR). There are different interpretations of CSR in the academic literature and practice, but it is worth realizing that this is not charity or the development of public relations.

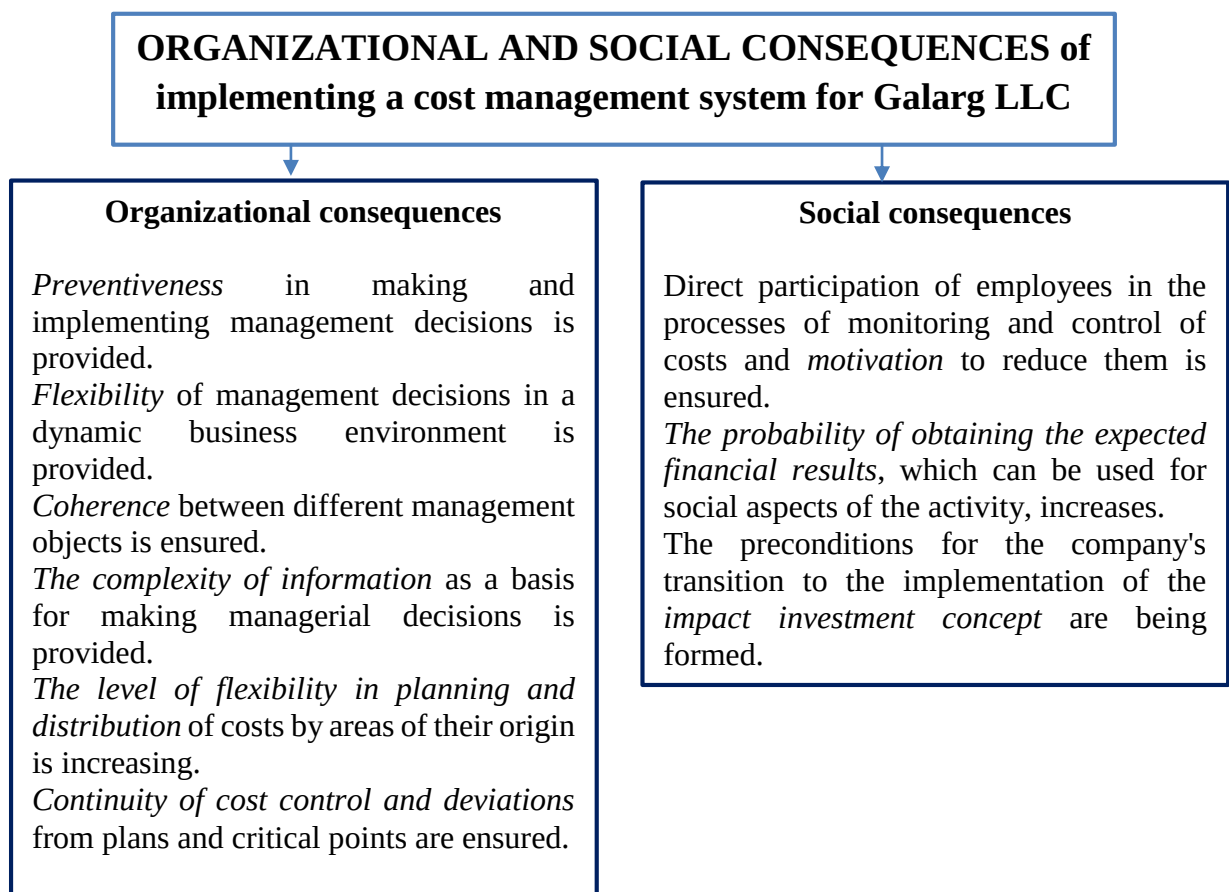


Figure 3.8 - Organizational and social consequences of the implementation of the cost management system of Galarg LLC

Source: formalization of the author's vision

The meaning of social responsibility is in the conscious interest of business to benefit society as a whole. With regard to the forms of CSR implementation, in our opinion, all manifestations of social responsibility can be combined into two groups (internal form of

CSR implementation and external form of CSR implementation) in terms of impact on internal and external stakeholders. The tools for implementing social responsibility to these groups, which can be used by the management of Galarg LLC, taking into account the scale of activities and martial law, are summarized in table. 3.6.

Table 3.6 - Forms and tools for the implementation of corporate social responsibility in the company Galarg LLC

INTERNAL FORM OF IMPLEMENTATION	EXTERNAL FORM OF IMPLEMENTATION
1. Development and support of personnel: - programs of psychological support for employees in the martial law state; - participation of employees in making managerial decisions; - increasing the level of qualification; - formation of corporate culture.	1. Environmental activities: - measures for the reuse and disposal of waste; - measures to prevent environmental pollution; - reducing the harmful effects of production activities on the environment.
2. Labor protection: - maintenance of sanitary working conditions; - providing medical and preventive measures; - prevention of occupational diseases; - creation of jobs that meet all standards and requirements; - medical care for company personnel and their families.	2. Development of the local community: - sponsoring sports organizations and local cultural and educational events; - implementation of social projects, actions; - support of scientific and applied research in the social direction; - active participation in charitable events; - carrying out activities to support socially unprotected segments of the population; - preservation and development of housing and communal services and objects of cultural and historical significance.
3. Socially responsible restructuring: - organization and implementation of employee retraining programs;	3. Development of good business practice: - implementation of programs for voluntary restriction of business areas;

- abolition of structural elements through outsourcing and giving independence to structural units; - maintaining social benefits for a certain period of time after dismissal; -reorganization of labor processes; -economically justified job cuts; - assistance in finding employment; - availability of compensation payments; -reduction of hierarchy levels; - Refusal of certain activities.	-organization of development programs and assistance to small and medium-sized businesses; - joint holding of events with government bodies, consumer associations, professional associations and other public organizations; -transparency in relation to owners, suppliers, business partners, customers and stakeholders.
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Despite the fact that the company under study is currently unable to provide the full range of presented CSR measures, the business is still trying to remain socially responsible to key stakeholder groups and ensure development based on the principles of humanization and care for the environment.

The implementation of socially responsible business activities requires funding, and therefore, CSR spending budgets are directly dependent on the financial performance of the company. According to the results of scientific research of scientists of TNU (Transport National University) the regression equation is derived, which allows to calculate changes in CSR budgets (y, growth rate (decrease)) depending on changes in the main parameters of transport business development.

$$y = -0.750 + 0.829x_1 + 1.089x_2 + 0.037x_3 + 0.016x_4 + 0.020x_5 - 0.287x_6$$

de X_1 – growth rates of prices for transport services;

X_2 – mileage growth rates;

X_3 – growth rates of the budget of investment costs for fleet renewal;

X_4 – growth rates of costs for the introduction of transport innovations of an organizational nature;

X_5 – growth rates of the capital structure ratio;

X_6 – growth rates of fuel prices.

Based on the following information, provided that the scope of activities is expanded and taking into account the introduction of a cost management system, the possible growth rates of the investment budget for CSR will be (Table 3.7):

in 2023 - 46.1%;

in 2024 - 15.2%.

Table 3.7 - Indicators for calculating the growth rate of the CSR expenditure budget, subject to the implementation of the project to implement a cost management system of Galarg LLC

Indicators	2023	2024
Growth rates of prices for transport services	1,5	1,5
Mileage growth rates	1,25	1
Growth rates of the budget of investment costs for fleet renewal	1	0
Growth rates of costs for the introduction of transport innovations of an organizational nature	0	0
Growth rates of the capital structure ratio	0	0
Growth rates of fuel prices	1,5	1,5
Growth rates of the investment budget for CSR	1,461	1,152

Source: author's calculations

If we summarize the presented results of the study of the issues of cost management of Galarg LLC, the working hypothesis of the work is fully confirmed. The expansion of the activities and the growing uncertainty and complexity of the business environment determine the actualization of the implementation of the cost management system as a basis for ensuring the effectiveness of management of the studied transport business. Despite the cost and complexity of the process of forming and implementing a cost management system in the practice of Galarg, it will pay off in terms of information and quality of management decisions, which generally affect the ability of business to fulfill its functional purpose and success.

CONCLUSIONS

Based on the generalization of the conceptual provisions and methodological principles of the theory of cost management, as well as their implementation in the practice of the transport company "Galarg" can make such meaningful generalizations.

Cost management is an area of management activity, as a means of achieving a high economic result by an enterprise, it is a more efficient use of company resources, saving them and minimizing costs at all stages of the operational process. Cost management includes: accounting and analysis, forecasting and planning of costs, their organization, coordination and regulation, activation and stimulation of personnel, control and monitoring.

Based on a critical analysis of scientific sources, the content of the category "cost management" was defined as a set of targeted measures to influence the volume, level, structure and behavior of costs to find ways to save resources, reduce costs and increase profitability of operating activities.

The practical aspects of the study of cost management were considered on the example of Galarg LLC, which has been operating in the transport services market since 2019. The basis for the success of the research business is the owner's desire to build a modern trucking company specializing in transportation conditions of carriage. The company has its own fleet, which intends to expand. For three years the client portfolio has been formed, the peculiarity of which is that the service consumers are well-known leaders of the relevant industry markets. The company uses modern technologies in its activities, and the management understands that investing in such technologies opens opportunities for the successful development of Galarg LLC. Despite the risks and threats of activities, primarily related to safety and rising fuel prices, market trends are generally very favorable in terms of further development of this business, however, it should be borne in mind that the cost of this process in the coming year will be growing.

Based on the results of the financial and economic analysis of the business activities of Galarg LLC, the following conclusions were made. During 2019 - 2021, the average annual growth rate of assets was 1.2; net income - 2.55, net profit - 1.12, which in general can be considered as a positive trend. The company is financially stable in terms of independence from external investors and creditors (the ratio is more than 0.5). However, during 2020 - 2021 the company had problems with the financing of inventories, which caused an unstable financial situation based on a three-component model of analysis. Despite the deviation of liquidity from critical values, in general, the company's

management controls the normal level of solvency. Regarding the indicators of productivity and profitability, in most of the studied cases, their change was characterized by positive dynamics, which in general allows to characterize the activities of the enterprise as quite effective.

Regarding the results of management cost analysis, it should be noted that currently the company does not have an adopted cost management system, and presented in the logic of the analysis and identified trends are the author's result of the study. The following generalizations were made during the analysis of current costs. The growth rate of current expenses is slightly higher than the growth rate of enterprise income. In the structure of costs, the largest share falls on fuel and energy resources (about 48%), the share of depreciation deductions is quite high (this is due to the fact that the vehicles purchased by the company were not new, respectively higher depreciation rates). The share of administrative costs is almost 18%, the basic salary - 15.6%. During 2019 - 2021, a trend of increasing the cost of transport services provided by the company was recorded. The ratio between variable and fixed costs at the end of 2021 was 64% to 36%. In terms of margin analysis, it should be noted that in 2019 - 2020 the company's activities were characterized by relatively high break-even rates and margin of financial strength. However, the value of the financial strength reserve is declining and in 2021 the company did not reach a break-even level of service provision in both value and in-kind units.

If we talk about the cost management system for GALARG LLC, it was worth noting that in a formalized form it is difficult to present, due to the relatively small scale of the company during 2019 - 2021. However, the relevance of such a system is growing related to the company's development plans and growth plans. Accordingly, the development of a project to form a cost management system was considered in the context of the investment project to increase the scale of activities, which involves increasing the company's fleet and increasing the volume of services.

The study of different methodological approaches to the formation of such a system, as well as the choice of cost management method among those described in the scientific literature, led to the idea that the company can use a mixed approach. It involves the selection of such positive aspects among the existing methods that are relevant to the company. Such a mixed cost management system can be implemented in a single information space, which is synchronized with the data of accounting, finance and management. Within such a cost management system, the principles and tools of Standard-costing can be implemented simultaneously; Direct costing, Absorption costing; Cost-killing; Cost Value Price. The implementation of such a management system involves the development of the concept of templates for both source information and forms of analysis

and final reports. This will allow you to multifacetedly characterize the cost aspects of the business and respond in a timely manner to deviations.

The implementation of such a cost management system was considered in two ways - by the company's own forces and on the basis of outsourcing. Given the implementation of the project of forming a cost management system in the first place it is necessary to hire at least two people (a specialist who will directly develop and implement the concept of a single information space and programmer), as well as the cost of software acquisition and digitization. Subject to the implementation of the project on the basis of outsourcing (by prior agreement, the contractor may be LLC "Intellect Service"), the total amount of payments will include the development and digitization and maintenance of such a system. The implementation of the developed cost management system and its digitization requires additional investments, which are primarily related to the digitization of processes and the purchase of appropriate software. It is estimated that such costs will be: 1 way – 80,000 UAH in 2023; Method 2 - UAH 150,000 in 2023

The main part of the costs incurred during the project will determine changes in the planned current costs of the company. Thus, the increase in current costs in the first option will be associated with an increase in administrative costs in terms of salaries and software depreciation. If the project is implemented, the second way to increase administrative costs will be due to the depreciation of software and payment for information services of LLC "Intellect-Service". If we compare the scale of changes in fixed costs of the company compared to the planned development option in the implementation of the project to implement a cost management system in different ways, in general, they will be the first way - 438 thousand UAH; for the second - 320 thousand UAH. Variable costs will remain at the planned level, as the direct implementation of the cost management system at Galarg LLC does not affect the total amount of variable costs.

According to the results of the economic justification of choosing method of implementation of the cost management system, it was determined that:

- the amount of operating and net profits for 2 methods of project implementation compared to 1 is higher, respectively, by 118 thousand UAH and 96.8 thousand UAH. The difference in financial and economic results is not significant, which allows us to talk about the economic feasibility of both options, as they, despite the cost, do not affect the fact that the company will be profitable;

- if we analyze the feasibility of the project in different ways on the criterion of investment cost efficiency, it should also be noted that the difference is not significant. However, the positive values of net present value (respectively 19460 thousand UAH and 19484 thousand UAH), high index profitability (8.9 and 8.7), and rapid payback of

investment costs (0.33 years and 0.34 years) indicate a high level of investment efficiency and economic feasibility of the project to implement a cost management system, regardless of the choice of method.

Implementation of a conceptual approach to the formation of a cost management system and its implementation in the context of creating a single information space Galarg LLC provides a set of effects that will positively affect the quality of management decisions. Thus, the presence of an automated cost management system provides a single information base in which the source information is accumulated from both accounting data and environmental research data. This provides a complete source of information for further analysis and forecasting of costs and performance of the company, which allows the cost management system to perform its function of preventive nature. That is, simply stating the facts about the costs is a useless process. The available information should be processed in such a way as to provide information in terms of identifying critical points and critical deviations in the company's activities.

The study of the social consequences of the implementation of the cost management system, allows us to talk about the achievement of such effects as ensuring the direct participation of employees in the processes of monitoring and control of costs and motivation to reduce them; increase the probability of obtaining the expected financial results that can be used for social projects; formation of preconditions for the company's transition to the implementation of the concept of impact investing in the future. Based on the regression equation, which was derived by researchers of the National Transport University of Ukraine, the possible growth rate of the budget for CSR projects was determined under the condition of development according to the forecast options presented in the master's thesis.

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APPENDIXES

Appendix A

Додаток 1
до Національного положення (стандарту)
бухгалтерського обліку 25 "Спрощена фінансова
звітність"
(пункт 4 розділу I)

Фінансова звітність малого підприємства

Підприємство	Дата(рік,місяць,число)	Коди
ТОВ "ГАЛАРГ"	за СДРПОУ	2022 01 01
Територія Печерський район міста Києва	за КАТОТТГ	43080550
Організаційно-правова форма господарювання Товариство з обмеженою відповідальністю	за КОПФГ	240
Вид економічної діяльності Вантажний автомобільний транспорт	за КВЕД	49.41
Середня кількість працівників, осіб		
Одиниця виміру: тис. грн. з одним десятковим знаком		
Адреса, телефон	Басейна, бул. 9, оф. 3, ПЕЧЕРСЬКИЙ р-н, м. КИЇВ, 01023	0630579063

1.Баланс на 31 грудня 2021 р.

Актив	Код рядка	На початок звітного року	На кінець звітного періоду
I	2	3	4
I. Необоротні активи			
Нематеріальні активи	1000	-	-
Первісна вартість	1001	-	-
Накопичена амортизація	1002	(-)	(-)
Незавершені капітальні інвестиції	1005	-	-
Основні засоби :	1010	791,0	445,0
первісна вартість	1011	1 324,0	1 609,0
знос	1012	(533,0)	(1 164,0)
Довгострокові біологічні активи	1020	-	-
Довгострокові фінансові інвестиції	1030	685,7	-
Інші необоротні активи	1090	-	-
Усього за розділом I	1095	1 476,7	445,0
II. Оборотні активи			
Запаси :	1100	51,0	1 238,0
у тому числі готова продукція	1103	-	53,0
Поточні біологічні активи	1110	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	616,8	208,0
Дебіторська заборгованість за розрахунками з бюджетом	1135	-	23,0
у тому числі з податку на прибуток	1136	-	-
Інша поточна дебіторська заборгованість	1155	-	-
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	59,3	65,0
Витрати майбутніх періодів	1170	-	-
Інші оборотні активи	1190	-	-
Усього за розділом II	1195	727,1	1 534,0
III. Необоротні активи, утримувані для продажу, та групи вибуття	1200	-	-
Баланс	1300	2 203,8	1 979,0

Continuation of Appendix A

Пасив	Код рядка	На початок звітнього року	На кінець звітнього періоду
1	2	3	4
I. Власний капітал			
Зареєстрований (пайовий) капітал	1400	1 400,0	1 400,0
Додатковий капітал	1410	-	-
Резервний капітал	1415	-	-
Перозподілений прибуток (непокритий збиток)	1420	47,3	54,0
Неоплачений капітал	1425	(280,0)	(280,0)
Усього за розділом I	1495	1 167,3	1 174,0
II. Довгострокові зобов'язання, пільове фінансування та забезпечення	1595	-	-
III. Поточні зобов'язання			
Короткострокові кредити банків	1600	-	-
Поточна кредиторська заборгованість за:			
довгостроковими зобов'язаннями	1610	229,0	-
товари, роботи, послуги	1615	536,0	410,0
розрахунками з бюджетом	1620	10,5	12,0
у тому числі з податку на прибуток	1621	10,5	-
розрахунками зі страхування	1625	-	-
розрахунками з оплати праці	1630	-	-
Доходи майбутніх періодів	1665	-	-
Інші поточні зобов'язання	1690	261,0	383,0
Усього за розділом III	1695	1 036,5	805,0
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	1700	-	-
Баланс	1900	2 203,8	1 979,0

2. Звіт про фінансові результати за Рік 2021 р.

		Форма № 2-м	Код за ДКУД	1801007
Стаття	Код рядка	За звітний період	За аналогічний період попереднього року	
1	2	3	4	
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	4 045,0	3 699,8	
Інші операційні доходи	2120	283,0	-	
Інші доходи	2240	18,0	-	
Разом доходи (2000 + 2120 + 2240)	2280	4 346,0	3 699,8	
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	(3 466,0)	(2 948,6)	
Інші операційні витрати	2180	(652,0)	(585,8)	
Інші витрати	2270	(162,0)	(107,7)	
Разом витрати (2050 + 2180 + 2270)	2285	(4 280,0)	(3 642,1)	
Фінансовий результат до оподаткування (2280 - 2285)	2290	66,0	57,7	
Податок на прибуток	2300	(12,0)	(10,4)	
Чистий прибуток (збиток) (2290 - 2300)	2350	54,0	47,3	

Керівник

(підпис)

Петров Сергій Олександрович

(ініціали, прізвище)

Головний бухгалтер

(підпис)

(ініціали, прізвище)

¹ Кодифікатор адміністративно-територіальних одиниць та територій територіальних громад

Continuation of Appendix A

Додаток 1
до Національного положення (стандарту)
бухгалтерського обліку 25 "Спрощена фінансова
звітність"
(пункт 5 розділу I)

Фінансова звітність малого підприємства

Підприємство	Дата (ріс, місяць, число)	Коди		
		2020	01	01
ТОВ "ГАЛАРГ"	за ЄДРПОУ	43080550		
Територія м. Київ	за КОАТУУ	8038200000		
Організаційно-правова форма господарювання Товариство з обмеженою відповідальністю	за КОПФГ	250		
Вид економічної діяльності Діяльність капітального автомобільного транспорту	за КВЕД	49.41		
Середня кількість працівників, осіб 5				
Одиниця виміру: тис. грн. з одним десятковим знаком				
Адреса, телефон Басейна, бул. 9, оф. 3, ПЕЧЕРСЬКИЙ р-н, м. КИЇВ, 01023		0670579063		

1. Баланс на 31 грудня 2019 р.

Актив	Код рядка	На початок звітного року	На кінець звітного періоду
1	2	3	4
I. Необоротні активи			
Нематеріальні активи	1000	-	-
первісна вартість	1001	-	-
накопичена амортизація	1002	(-)	(-)
Незавершені капітальні інвестиції	1005	-	-
Основні засоби :	1010	-	1 023,0
первісна вартість	1011	-	1 139,0
знос	1012	(-)	(116,0)
Довгострокові біологічні активи	1020	-	-
Довгострокові фінансові інвестиції	1030	-	-
Інші необоротні активи	1090	-	-
Усього за розділом I	1095	-	1 023,0
II. Оборотні активи			
Запаси :	1100	-	60,0
у тому числі готова продукція	1103	-	-
Поточні біологічні активи	1110	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	-	284,0
Дебіторська заборгованість за розрахунками з бюджетом	1135	-	72,0
у тому числі з податку на прибуток	1136	-	-
Інша поточна дебіторська заборгованість	1155	-	-
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	-	18,0
Витрати майбутніх періодів	1170	-	-
Інші оборотні активи	1190	-	-
Усього за розділом II	1195	-	434,0
III. Необоротні активи, утримувані для продажу, та групи вибуття	1200	-	-
Баланс	1300	-	1 457,0

Continuation of Appendix A

Пасив	Код рядка	На початок звітнього року	На кінець звітнього періоду
I	2	3	4
I. Власний капітал			
Зареєстрований (пайовий) капітал	1400	-	1 400,0
Додатковий капітал	1410	-	-
Резервний капітал	1415	-	-
Перезподілений прибуток (непокритий збиток)	1420	-	43,0
Неоплачений капітал	1425	(-)	(280,0)
Усього за розділом I	1495	-	1 163,0
II. Довгострокові зобов'язання, цільове фінансування та забезпечення	1595	-	-
III. Поточні зобов'язання			
Короткострокові кредити банків	1600	-	-
Поточна кредиторська заборгованість за:			
довгостроковими зобов'язаннями	1610	-	-
товари, роботи, послуги	1615	-	23,0
розрахунками з бюджетом	1620	-	9,0
у тому числі з податку на прибуток	1621	-	9,0
розрахунками зі страхування	1625	-	-
розрахунками з оплати праці	1630	-	-
Доходи майбутніх періодів	1665	-	-
Інші поточні зобов'язання	1690	-	262,0
Усього за розділом III	1695	-	294,0
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	1700	-	-
Баланс	1900	-	1 457,0

2. Звіт про фінансові результати за _____ Рік 2019 _____ р.

Форма № 2-м

Код за ДКУД

1801007

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	922,0	-
Інші операційні доходи	2120	-	-
Інші доходи	2240	-	-
Разом доходи (2000 + 2120 + 2240)	2280	922,0	-
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	(831,0)	(-)
Інші операційні витрати	2180	(39,0)	(-)
Інші витрати	2270	(-)	(-)
Разом витрати (2050 + 2180 + 2270)	2285	(870,0)	(-)
Фінансовий результат до оподаткування (2280 - 2285)	2290	52,0	-
Податок на прибуток	2300	(9,0)	(-)
Чистий прибуток (збиток) (2290 - 2300)	2350	43,0	-

Керівник

_____ (підпис)

Петров Сергій Олександрович

_____ (ініціали, прізвище)

Головний бухгалтер

_____ (підпис)

_____ (ініціали, прізвище)