

CHAPTER «ECONOMIC SCIENCES»

MANAGEMENT OF THE CREDIT PROCESS IN UKRAINE

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Abstract. *The purpose* of the article is to determine and determine the results of lending from LLC "Khmilnytskyi Dry Skimmed Milk Plant "Molochny Visit" in order to prevent its bankruptcy with the help of timely lending, calculation of indicators. Directions for improving the statutory crediting of the plant by economic and financial methods are proposed. The definition and meaning of credit for Ukrainian enterprises is analyzed. *The results.* Calculations were made for the analysis of the financial condition of the plant, forecast values for its bankruptcy and the distribution of credit rhesus to support the production process were made. The research proved that the main source of financing is own capital. The need for own capital is due to the requirements of self-financing of the enterprise. It is the basis of their autonomy and independence. capital and a smaller share of borrowed funds, the higher the buffer that protects creditors from losses, and therefore the lower the risk of losing. The creditworthiness of an enterprise is directly proportional to the set of characteristics that can reveal the level of its provision of financial resources necessary for its effective functioning, the efficiency of the use of own and borrowed resources, financial and economic relations with other subjects of economic activity, solvency, profitability. To determine the level the creditworthiness of a certain borrower, the following methods of financial management of the borrower's condition are selected, which include⁶ the borrower's general characteristics, credit history, availability of collateral and assessment of the quality of the collateral, analysis of the effectiveness of the commercial contract being lent. Quite

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often in literary sources, improving the management of the enterprise's creditworthiness is associated with an increase in indicators his financial condition. Taking into account the obtained results, it can be predicted that the overall financial condition of LLC "Khmylnytskyi dry skimmed milk plant "Molochny Visit" is characterized by a high level of financial risk. According to the results of forecasting financial activity, it can be stated that LLC "Khmylnytskyi Dry Skimmed Milk Plant "Molochny Visit" does not have a sufficient margin of financial stability, a tendency towards negative changes has been revealed, which indicates the necessary detailed analysis of the subject of definition: what indicators of the enterprise's financial activity have been achieved, and which have improved.

1. Introduction

Credits is the main profit for Ukrainian banks, which is integral part of economic systems countries. Buying resource on the free market of credit resources and selling them to enterprises, commercial banks exert a direct influence on the development of the national economy. For physical persons lending – it possibility satisfy your need, buy subjects everyday life to improve conditions residence, buy dwelling, and also more many another for what on present moment not has money For legal persons – it maybe to be acquisition basic means, repair, reconstruction, addition, construction immovable property and also credit maybe provide investment purposes.

Bank credit – it form credit, by which monetary funds are loaned by banks. There are commercial banks licensed by the NBU the main link credit systems, they simultaneously perform in roles the buyer and seller available in society temporarily free funds

The main sources of formation of bank credit resources are own funds banks, leftovers on settlement and current accounts are involved on deposit bills funds legal and physical persons interbank loans, and funds received from release valuable papers Every commercial bank puts by purpose to provide high quality own credit portfolio Credit portfolio – it totality loans, provided bank on certain the date it characterizes the amount of capital invested by the bank in credit operations. The loan portfolio includes the aggregated book value of all loans, y ago number of overdue, prolonged and doubtful of return.

2. Economic crisis effects on consumer behavior

The main principles of bank lending are security, timeliness, payment and targeted directionality Principle security loan is aimed at protecting the bank's interests and preventing losses from non-repayment of the debt due to the insolvency of the borrower. Principle timeliness and payments means what credit has to be facing the borrower the bank in early conditioned term with corresponding fee by use of the loan. Opportunity depends on compliance with this principle granting new ones loans targeted nature using provides attachment loan funds on specific purposes, conditioned credit contract.

In the economic activity of the bank, seven forms of credit are used, a list of which given on Figure 1.

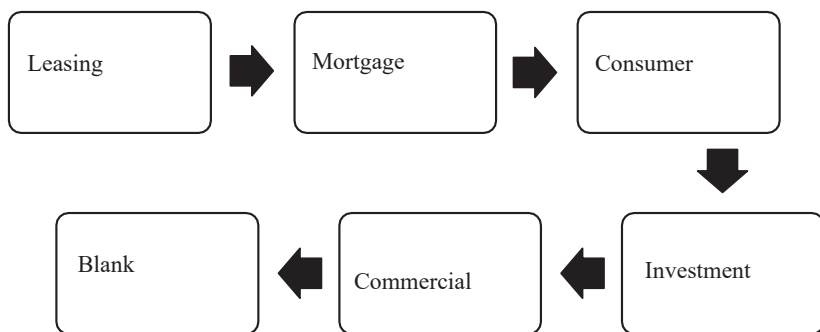


Figure 1. Forms banking loans

Leasing credit – it relations between legal persons which arise in the case of renting property and are accompanied by the conclusion of a leasing contract agreements Leasing is form property credit.

Mortgage credit – it special view economic relations with reason granting loans under pledge real estate. A consumer loan is a loan that is granted only in the national monetary units physical persons residents of Ukraine on acquisition of consumer durables and services and which is returned to installment plan, if other not provided by the conditions credit contract.

A blank loan is a loan granted by the bank within the available limits own funds (without pledge of property or other types of security only under

obligation return credit) from application increased percentage rates reliable borrowers, which have stable profits.

More one form credit is commercial, which is provided one the subject economic activity to another in in the form sales goods with postponement payment Commercial credit is issued promissory note and designed for acceleration implementation goods and obtaining enterprises profit.

Investment loans – it loans, which are provided investors for implementation investment projects.

Tax credit – sum (cost) expenses, suffered payer tax – resident in connection with acquisition goods (work, services) in residents – physical or legal persons for reporting year (except expenses on payment tax on added cost and excise collection), on amount whose is allowed reduction Sumy him general annual taxable income, received by consequences such reporting year, in cases defined by legislation.

In banking practice, there are various types of loans that are provided legal and physical persons their you can classify by certain signs:

1. By targeted direction loans share on: industrial – is used on financing production activity and implementation total social product and is important the source formation circulation funds and basic funds subjects management; consumer – is directed on financing consumer goals population (improvement residential conditions, arrangement assistant household, purchase of goods, as well as for various emergencies need).

2. By destination and character using distinguish credits: in current activity – are provided borrowers on pleasure temporary need for funds for the purchase of current assets during the gap between sometimes income funds and implementation expenses (loans on purchase raw materials and other production stocks, seasonal expenses etc); in investment activities – are provided to borrowers for their satisfaction temporary need in funds under time implementation them actions of implementation of investments or an investment project (capital costs for reconstruction, modernization and expansion of existing fixed assets, new construction and development earth, purchase of buildings, buildings, equipment, etc.).

3. By in groups borrowers distinguish credits: legal persons – subjects management (enterprises, organizations, firms); bank institutions; non-bank financial and credit institutions (credit unions, pawn shops) individuals (individuals-private entrepreneurs, population); state bodies authorities.

4. By terms using loans are shared on: short-term (up to one year) – provided by banks upon occurrence temporary financial difficulties in connection with expenses production and circulation Funds invested in working capital are released after the process is over its circulation, that is, as a rule, after the sale of products, and to the borrower appears possibility return credit. This circulation usually not exceeds one year, therefore loans invested in working capital belong to short-term; medium term (to three years) – are provided on acquisition equipment, transport means, current costs, financing capital investments; long-term (more than three years) – provided for the formation of the main ones funds, while funds for loan repayment will be received during a long period of operation, exceeding one year. Objects lending they can to be capital costs on reconstruction, modernization and expansion of existing fixed assets, new construction and other Necessary to note what what longer term use credit, those more risk and those bigger probability that what will arise unforeseen financial difficulty in in the future and client not can return debt.

5. By terms use loans are distributed on: fixed-term loans, that is, loans granted for the term specified in the contract. Characteristic feature fixed term loans consists of in availability clearly defined of order their using and fixed term or terms repayment; to the question – these are loans issued for an indefinite period and are repaid on the first requirement creditor; overdue loans – it loans, term return whose, established in the credit agreement, has expired, and the debt has not yet been returned creditor; deferred or extended loans are loans in respect of which the borrower's request, the bank made a decision to postpone it to a later date debt repayment term (prolongation).

6. By character software distinguish: secured pledge – are provided under pledge property property rights, guaranteed – are issued creditor under guarantee the third parties, with others provision (surety the third persons etc).

7. By character return: with one time return credit – arrears need fully pay off in day, determined in credit contract or ahead of time by desire the borrower or on requirement creditor (with previous message borrower); with gradual repayment of the loan in equal parts the main debt – is assumed repayment main Sumy credit the same in installments throughout the crediting period. This is the repayment method the loan can

also be used in a repayment scheme equal contributions some kind parts the main debt for period lending and significant parts – after end term actions credit agreements; repayment credit equal fixed term payments (annuity repayment) – provides uniform partial repayment general Sumy debt (annuities and we make payments), related to the receipt of proceeds from sales products (implementation works, granting services) and others income Credit is repaid simultaneously with the last installment. Repayment of the loan most often is carried out in payments that are made at equal intervals of time and include I have both the principal payment and the interest payment. In credit contracts maybe to be determined conditional term repayment credit, but him specific deadlines are installed on based on actual credit debts, specifics activity the borrower and him positions on the market; repayment of the loan by variable periodic payments – provides repayment credit monthly payments, which include in himself monthly payment to repay the principal amount of the debt and monthly payment percent by use credit At this monthly repayment credit is provided unequally by size in parts during the period use credit funds to give complete their return.

8. By kind of percentage rates distinguish credits: with fixed rate percent – percentage rate not maybe change for actions credit contract characteristic for stable economy; with a "floating" interest rate – the creditor reserves the right change percentage fee during term use credit the borrower (index inflation, accounting rates central bank, rates LIBOR and etc.); discount loans – payout percent is carried out in moment granting credit This one scheme payments is applied to especially unreliable customers.

9. By periodicity payment percent by credit: at repayable debts; in the ends term contract; monthly; weekly; daily; by individual schedule.

10. By currency granting credit distinguish: in national currency (in hryvnias); in foreign currency (in dollars USA, euro, etc); multi-currency (in several species currencies).

11. By quantity creditors distinguish: loans, which are provided one the bank; consortium loans – provided by a consortium of banks (pool), u for which one of the banks assumes the role of manager, collects from participating banks the amount of resources required by the client, concludes a credit agreement with him, grants credit and distributes received

percentage payments between participants consortium. Consortium loans can be provided to the borrower in the following ways: as: accumulation credit resources in bank manager with next providing loans subjects economic activities; guarantee general Sumy credit leading bank or group banks; change guaranteed participating banks quota credit resources by score involvement other banks for participation in a consortium; parallel loans – provided to one client by several banks on the same (agreed in advance) contractual conditions.

12. By form granting: in cashless form – are provided by payment payment (calculated) documents the borrower with credit account or enumeration funds with credit account on current (or card) borrower's account; in cash form – provided by issuing cash from the bank cash register, in particular, for settlements with suppliers of agricultural products, for loans, given in boundaries credit lines EBRD, and also physical persons.

13. By methods granting: in once order; in accordance to open credit lines; warranty (from in advance conditioned by date granting).

14. By terms repayment: at the same time – repayment of the loan without specifying intermediate terms, such as the rule is established during the provision of a loan for the implementation of the project, according to which income money funds is expected at once after him implementation, or by absence in the borrower enough volumes income from other economic activity to ensure phased payments for credit; on payments – is installed schedule repayment, going out with the technological cycle of the enterprise, the procedure and deadlines settlements with counterparties, frequency of receipt of funds to accounts the borrower; early – the loan must be repaid on demand creditor or if such desire discovered borrower; with regression of payments – the repayment schedule established by the credit contract, provides that at the beginning of using the loan, the borrower pays more Sumy, and – smaller; after the end of the stipulated period – the credit agreement determines the presence of a grace period, after the end of which repayment begins credit.

15. By degree credit risk: standard loans – operations, by which ones credit risk is insignificant; loans with elevated risk – credit operations, by which ones credit risk is elevated and maybe increase by occurrence unfavorable for the borrower situations To this one groups belong to loans "under control", "substandard", "doubtful" and "hopeless".

16. By volumes credit funds: large; average; small.

In economic literature there is no consensus on the number of signs, classification species banking credit IN process systematization banking loans are used and others criteria selection those or others species loans It they can to be loans by sources involvement (internal – in boundaries countries, external – international), by industry a sign (in rural household, trade, engineering, transport, science and education), by economic destination etc. Classification loans maybe consist of and adhere to themselves banks.

3. Results

We will consider the example of bank crediting and its impact on the example of the Khmilnytskyi dairy plant "Vizyt".

The Khmilnytskyi dairy was founded way back in 1928 on the territory of the flourishing Innich region. During the Great Patriotic War, the plant was completely destroyed, only the territory remained. In the post-war years, the workers of the factory rebuilt and began the glorious recent history of the X Milnytsky dairy plant. In 1972, it was possible to process milk in the amount of 250 tons per day and produce a full range of dairy products, which were in incredible demand on the territory of Ukraine and beyond. Since 2007, the production of products at the enterprise has been completely stopped.

The plant saw new life with the arrival of new investors. On May 16, 2012, after a 2-year reconstruction and the introduction of the latest technologies, the production of sweet cream butter and skimmed milk powder was resumed, and in December 2012, the production of hard cheeses was established.

The product has proven itself to be of excellent quality, which led to its demand. The sales market expanded, the geography of buyers grew rapidly, covering the entire territory of Ukraine, Belarus, Moldova, Georgia and other countries.

Since 2012, the company has become one of the most successful producers of dairy products, and we do not plan to stop there. Since the time of complete reconstruction and until now, the company has been developing its production facilities every year: new workshops are being built, new raw material processing technologies are being developed, the range of dairy products is constantly expanding, and new sales markets are being developed.

The number of employees of LLC "Khmilnytskyi Zavod SZM "Milk Visit" amounted to 363 people. The company has 64 own and leased milk trucks, which collect milk from 4 agricultural enterprises, as well as at 63 reception points for collecting milk from individuals – suppliers of milk raw materials, who live in the territory of 176 settlements of the Innytskyi and Khmelnytskyi regions. The raw material is delivered to the factory in good quality, in accordance with the standards established in.

Equipment is used for milk processing, the cost of which at the end of 2021 is UAH 137,851,000 and the property is leased from APNVP "Vizit" according to the property lease agreement dated June 1, 2021. No. 61/21-06, namely: a property complex located at the address: Vinnytsia region, Khmilnyk, 27 Litopysna street, total value: 33,712 thousand g. The property complex includes buildings and structures with a total area of 5,539 m², namely: administrative building – 487.3 m²; passage – 20.5 m²; bulk dairy shop – 897.4 m²; dry skimmed milk shop – 873.5 m²; laboratory – 90.2 m²; boxing house – 179 m²; oil shop – 462.4 m²; transformer – 55.8 m; workshop for baking waffle cups – 248.9 m²; ice cream shop – 161.3 m²; car garage – 433.1 m²; boiler room – 823.1 m²; substation – 23 m²; mechanical workshop – 115.8 m²; compressor room – 283.5 m²; brick warehouse – 20.5 m²; central warehouse – 304.1 m²; warehouse for storage of acids – 56.6 m².

The enterprise operates a certified laboratory equipped with all the necessary devices for determining the quality indicators of raw milk. The HACCP food safety and quality system was implemented and the ISO 22000:2005 certificate was obtained. An annual audit is conducted to check compliance with the standards of the HACCP system, the laboratory assistants of the CBA undergo training on improving their qualifications in a timely manner.

The capacity of the milk processing plant is 200 tons of milk per day. In fact, up to 150 tons of milk are processed per day.

During the studied period, the production of certain types of products increased, in particular pasteurized drinking milk by 35%, fermented milk products by 13%. But at the same time, the production of butter decreased significantly by 256 tons.; solid cheese for 109 tons, skimmed milk for 446 tons, whey for 113 tons, milk products for 277 tons. A significant decrease in the production of certain types of products is associated with an

Table 1

**The main financial and economic indicators of the activity
of LLC "Khmilnytskyi Zavod SZM "Molochniy Visit" LLC**

Indicator	2019	2020	2021	Deviation of 2021 from 2019, (+;-)
Net income from sales	471979	387829	464371	-7608
Cost of goods sold	458252	377789	454574	-3678
Gross profit	13727	10040	9797	-3930
Financial expenses	-16882	4759	2755	-14127
Financial result from operating activities	6406	-947	-1769	-4634
Financial result before taxation	-10315	-5682	-4524	-5791
Net profit	-10315	-5682	-4524	-5791

increase in the cost of the provided services for the processing of consumer milk by 12,735 thousand hryvnias. or by 248%. In general, the increase in processed milk and production of products led to an increase in revenue from the sale of products and services by 76,542 thousand hryvnias or by 20% compared to 2020.

In connection with the corona virus pandemic and the closure of borders in 2021, exports amounted to 51,813 thousand hryvnias, which is only 11.16% of the net income from the sale of products. Compared to 2020, exports increased by 18,154 thousand hryvnias or by 54%.

LLC "Khmilnytskyi Zavod SZM "Milk Visit" is actively modernizing the plant, purchasing new equipment (production line of sour milk cheese, hard cheese, milk bottling, drying for whey and milk), it is planned to increase milk processing from 150 tons to 300 tons per day. For this, credit funds in the amount of 25.0 million hryvnias were attracted. Interest for using the loan for 2021. amounted to 2.8 million hryvnias, which is 2.0 million hryvnias less than in 2020. Depreciation deductions in 2021 amounted to 17.7 million hryvnias, which is 0.8 million hryvnias less than in 2020. During the investigated period, LLC "Khmilnytskyi Zavod SZM "Molochniy Visit" reduced its net income from sales by 7,608 thousand hryvnias, while the cost of production decreased by 3,678 thousand hryvnias. This led to a negative value of the financial result before taxation. It should be noted that the company's financial results have improved significantly compared to 2019, although they are negative. The decrease in the amount of the loss

occurred as a result of the decrease in the amount of financial expenses (interest on the loan).

4. Finding

The main source of financing is own capital. It includes registered (equity) capital, contributions to unregistered authorized capital, capital in mark-ups, additional capital, issue income, accumulated exchange rate differences, reserve capital, retained earnings (uncovered loss), unpaid capital, withdrawn capital and other reserves. The need for own capital is due to the requirements of self-financing of the enterprise. It is the basis of their autonomy and independence. The peculiarity of equity is that it is invested on a long-term basis and is exposed to the greatest risk. The higher its share in the total amount of capital and the smaller the share of borrowed funds, the higher the buffer that protects creditors from losses, and therefore the lower the risk of losses.

Table 2

**Composition and dynamics of equity capital
of LLC "Khmilnytskyi Zavod SZM "Molochnyi Visit " LLC**

Articles of balance	2019	2020	2021	Absolute deviation, 2021 from 2019, (+;-) thousand UAH.
	thousand hryvnias	thousand hryvnias	thousand hryvnias	
Registered (share) capital	10000	10000	10000	-
Undivided profit	5712	2936	-1588	-7300
Equity of everything	15712	12,936	8 412	-7300

So, as of the end of 2021, the researched milk processing enterprise has a total equity capital of UAH 8,412,000. In recent years, we have observed its decrease by 7,300 thousand hryvnias. The amount of the company's equity is formed by only two items, namely: registered (equity) capital and retained earnings (uncovered loss). The amount of registered (statutory) capital and additional capital did not change during the researched period, which indicates the stability of the enterprise's functioning. The main reason for the determined negative dynamics of equity capital is the decrease in the amount of uncovered losses during 2019–2021, and, accordingly, the decrease in the structure of equity capital.

Financing the company's activities only at the expense of its own funds is not always profitable for it. By attracting loan funds, the company can control larger financial flows, expand the scope of activities, and increase the profitability of its own capital.

Loan capital includes long-term and short-term credits and loans, accounts payable, in particular advances received from buyers and customers, payments for dividends, other short-term liabilities.

Table 3

**Dynamics of obligations
of LLC "Khmilnytskyi Zavod SZM "Molochnyi Visit"**

Articles of balance	2019	2020	2021	Absolute deviation, 2021 from 2019, (+;-) thousand UAH.
	thousand hryvnias	thousand hryvnias	thousand hryvnias	
Long-term bank loans in	33348	0	8414	-24934
Short-term bank loans in	28864	16565	16210	-12654
Accounts payable for goods, works, services	89203	157332	164429	+75226
Total:	165247	189993	187462	+22215

In 2019–2021, the total amount of liabilities increased at the milk processing enterprise due to an increase in accounts payable for goods, works, and services. At the same time, the amount of long-term and short-term bank loans decreased.

Analyze the processes of formation of financial resources of the enterprise. On the basis of the conducted analysis, we note that in the structure of sources of financing the enterprise's activities, loan funds prevail. Thus, the share of the company's loanable financial resources in 2019–2021 had an upward trend. In 2019–2021, the share of equity was 7%, which is a negative manifestation of the company's financial activity.

Financial stability is determined by the effective formation, distribution and use of financial resources.

Insufficient financial stability can lead to the insolvency of the enterprise and its lack of funds for the development of production and general activity of the enterprise.

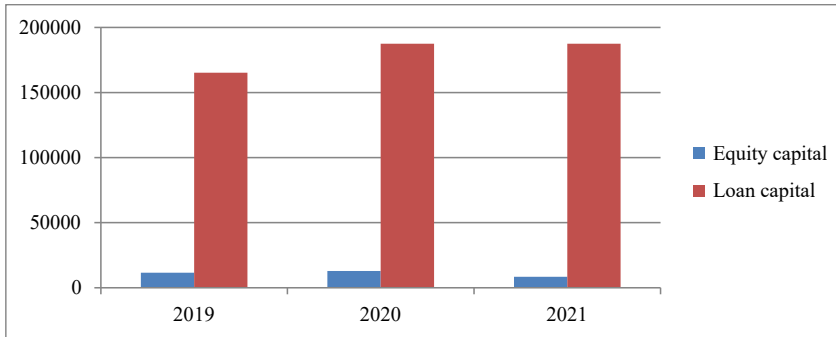


Figure 2. The ratio of equity and debt capital of LLC "Khmilnytskyi Zavod SZM "Molochny Visit" LLC

The analysis of financial ratios and indicators provides an idea of the company's financial condition and competitive advantages and prospects for its development, makes it possible to determine trends and the structure of planned changes; which helps management see the threats and opportunities specific to this particular enterprise.

The asset turnover ratio characterizes the efficiency of the company's use of available resources and shows how much changes in available assets are related to changes in income (revenue) from sales. The value of this coefficient has hardly changed during the studied period.

Table 4

Dynamics of financial stability of LLC "Khmilnytskyi Zavod SZM "Molochny Visit" LLC

Indicator	2019	2020	2021	Absolute deviation, 2021 from 2019, (+;-)
Asset turnover ratio in	2.38	2.47	2.33	-0.05
Coefficient of financial stability of the enterprise	0.228	0.105	0.043	-0.185
Coverage ratio	0.449	0.496	0.520	+0.071
Debt ratio	8,876	14,687	22,285	+13,409
Concentration ratio of the capital involved	0.899	0.936	0.957	+0.058

The coefficient of financial stability characterizes the ratio of own and borrowed funds. The normative value is not less than 0.6. In LLC "Khmilnytskyi Zavod SZM "Molochny Visit" the value of this ratio is mixed and indicates low financial stability.

The coverage ratio is calculated as the ratio of current assets to current liabilities. This is the ability to quickly repay short-term obligations. At LLC "Khmilnytskyi Zavod" SZM "Molochny Visit" is almost unchanged.

The debt ratio is calculated as the ratio of borrowed capital to equity. Since this period, it has increased by 13.4, which indicates an increase in the amount of current accounts payable for goods, works and services.

The concentration coefficient of the capital involved characterizes the specific weight of the capital involved of the business entity in the total cost of funds invested in its activities. This indicator is increasing from 0.899 in 2019 to 0.957 in 2021 at the Khmilnytskyi Zavod SZM Molochny Visit LLC. Such dynamics are negative. Analysis of the company's liquidity determines the company's ability to repay its liabilities with assets. Let's consider liquidity indicators to assess their dynamics during the period under study.

Table 5

**Dynamics of relative liquidity indicators
of LLC "Khmilnytskyi Zavod SZM "Molochny Visit" LLC**

Indicators	Normative value	2019	2020	2021	Absolute deviation, 2021 from 2019, (+;-)
Total liquidity ratio (coverage)	1.0-2.0	0.45	0.50	0.52	+0.07
Quick liquidity ratio	0.6-0.8	0.14	0.26	0.21	+0.07
Absolute liquidity ratio	0.25-0.5	0.002	0.003	0.024	+0.022
Net working capital (thousand UAH)	> 0 increase	-72620.0	-91604.0	-89870	-17250

The coefficient of total liquidity characterizes the ratio of current assets and current liabilities and for normal functioning should be greater than one, its growth characterizes positive trends in the enterprise.

From the above table, it can be seen that LLC "Khmilnytskyi Zavod SZM "Molochny Visit" is characterized by relatively low values of the

coverage ratio, that is, current assets were 2-4 times smaller than current liabilities, which indicates a negative financial situation at the company. Such dynamics of this indicator indicate a high level of financial risk.

The quick liquidity ratio characterizes the company's ability to pay off current liabilities with current assets, minus stocks. Western analysts recommend a quick liquidity ratio of more than 0.5. A sufficient ratio of quick liquidity is a ratio of 1:1. The ratio of quick liquidity in 2021 at LLC Khmilnytskyi Zavod SZM Molochny Visit was 0.21, in 2020 – 0.26, in 2019 – 0.14, which below the norm and indicates the low ability of the enterprise to pay current liabilities, provided that payments are made in time with creditors.

The coefficient of absolute liquidity of LLC "Khmilnytskyi Zavod SZM "Molochny Visit" shows what share of current debt can be repaid on the date of reporting or another specified date. As of December 31, 2021 this ratio was 0.024 as of December 31, 2020. – 0.003, as of December 31, 2019 – 0.002, which is below the norm and indicates the inability of the enterprise to pay its debts immediately on December 31.

Net working capital is calculated as the difference between the company's current assets and its current liabilities. Its value as of 12/31/2021 and as of 12/31/2020 has a negative value (89,870,000 UAH and 91,604,000 UAH) and indicates the possibility of the Company in the future to pay its current obligations and expand its activities by attracting additional financing.

Since the analysis of liquidity is one of the key components of the assessment of the financial condition of enterprises. The calculation of only liquidity ratios does not give a complete picture of the dynamics of liquidity included in the sample, as it does not demonstrate a connection with other indicators of financial condition. In our opinion, even a comparison of the calculated coefficients with the recommended regulatory values will also not allow us to form a complete picture of the consequences of the change in liquidity, as it does not take into account the company's development strategy and the accepted practice of financing assets.

The ratio of receivables and payables characterizes the quality of the enterprise's commercial lending policy. The balance of cash flows in the process of settlements with suppliers and buyers has a positive effect on the company's financial condition. The optimal value of the indicator is a value that is approximately equal to unity. During the analyzed period,

the quick liquidity ratio was not within the recommended limits, which indicates the inability of the enterprise to settle with creditors at the expense of debtors. In 2019, the value of this coefficient was 5.1; in 2020 – 6.9; in 2021 – 6.3, which did not meet the recommended indicators. Thus, in 2021, one hryvnia of accounts payable accounted for 6.3 hryvnias. accounts receivable. The current stage of business, dairy enterprises of Ukraine take short- and long-term loans from banking institutions. But this leads to a corresponding credit risk. It is related to the possibility of the company not fulfilling its financial obligations to the investor due to the use of a foreign loan to finance the company's activities. Credit risk arises in the process of the enterprise's business communication with its creditors: the bank, counterparties, suppliers and intermediaries, as well as with shareholders. In the course of its activities, LLC "Khmilnytskyi Zavod Skimmed Milk Dry Milk Visit" attracts long- and short-term loans from banks, the amount of which has been decreasing over the past three years. The amount of accounts payable is significant in the currency of the balance sheet.

Table 6

**Dynamics of long- and short-term loans
of Khmilnytskyi dry skimmed milk plant "Molochniy Visit" LLC**

Indicator	2019	2020	2021	Absolute deviation, 2021 from 2019, (+;-) thousand UAH.
Long-term bank credits	33348	0	8414	-24934
Short-term bank credits	28864	16565	16210	-12654

The creditworthiness of the enterprise is directly proportional to the aggregate characteristics that can reveal the level of its provision of financial resources necessary for its effective functioning, the efficiency of the use of own and borrowed resources, financial and economic relations with other subjects of economic activity, solvency, profitability. To determine the level of creditworthiness of a certain borrower, the following methods of financial management of the borrower's condition are used, which include the general characteristics of the borrower, credit history, availability of security and assessment of the quality of the collateral, analysis of the effectiveness of the commercial agreement being loaned. Quite often in literary sources,

the improvement of credit management of an enterprise is associated with the improvement of indicators of its financial condition. In this direction, we suggest using the financial indicators of such a method of assessing the borrower's creditworthiness, by which it is possible to determine the degree of insolvency of the enterprise.

Table 7

**Algorithm for determining the degree of insolvency
of Khmilnytskyi Dry Skimmed Milk Plant "Molochniy Visit" LLC**

Indicators	The degree of solvency				
	Normative value	The actual indicator of 2021	current	Critical	Supercritical
Current solvency	> 0	0.18	$\Pi\pi < 0$	$\Pi\pi < 0$	$\Pi\pi < 0$
Provision coefficient	0.1	0.043	$Kz > 0.1$	$Kz < 0.1$	$Kz < 0.1$
Coverage ratio	1.5	0.52	$Kp > 1.5$	$Kp < 1.5$	$Kp < 1$
Net profit	> 0	loss	>0	>0	<0

The analysis of these indicators shows the low creditworthiness of the milk processing enterprise.

5. Conclusions

It is possible to predict the results of the activity of a milk processing enterprise by carrying out a bankruptcy diagnosis, since the enterprise has sustained a loss as a result of its activity for the past three years. Today, the models of well-known Western economists Altman, Lees, Taffler, Springate, etc. are widely used to assess the risk of bankruptcy of enterprises within the framework of discriminant analysis. In each model, the coefficients that should be taken into account and what conclusions should be drawn are proposed. Altman's model is the most popular. It can be used to predict the probability of bankruptcy in one year with an accuracy of 95%, in two years – 70%, in three years – 48%, in four years – 30%. Altman's model (Altman Z – score) is the result of the author's examination and research of 66 enterprises (of which 50% were declared bankrupt, and the rest continued to function) using 22 financial indicators and is a five-factor model of descriptive diagnostics of the probability of bankruptcy of the enterprise – the object of the study – a combination of the most important factors for

estimates of the level of probability of bankruptcy of the enterprises under investigation.

In general, the Altman model looks like this:

$$Z = 1.2A + 1.4B + 3.3C + 0.6D + 1.0E,$$

where A = Working capital / Total value of assets;

B = Net profit / Total asset value in;

C = Net income / Total asset value in;

D = Market capitalization of the enterprise / Amount debts;

E = Sales volume / Total asset value in.

Practical studies on a sample population of enterprises indicate that if the calculated value of the Z- indicator is found below the critical value of 2.7, the enterprise – the object of the study is practically bankrupt. According to some sources, the reliability of this model is estimated at 95%.

Z < 1.8 is very high, 1.81 < Z < 2.70 – high, 2.71 < Z < 2.99 is possible
Z > 3.00 is very low

Table 8

**Calculation of the probability of bankruptcy
of Khmilnytskyi dry skimmed milk plant "Molochniy Visit" LLC**

Indicators	2019	2020	2021
Ratio of working capital to total value of assets	0.060	0.041	-0.45
Return on assets based on retained earnings	0.16	0.014	0.008
Return on assets based on net income	-0.03	-0.02	-0.02
Current liabilities coverage ratio with own capital	0.08	0.071	0.044
Transformation coefficient	2.15	1.91	2.37
Z-score: 1.2X1 + 1.4X2 + 3.3X3 + 0.6X4 + 1.0X5	2.6	1.95	1.80

As can be seen from the table 8, the probability of bankruptcy of Khmilnytskyi dry skimmed milk factory LLC "Molochniy Visit" according to the Altman model has been characterized for the last three years as high for the period 2019–2021. At the same time, during the studied period, the value of the Z-score decreases, which indicates the deterioration of the situation at the enterprise. Taking into account the obtained results, it can be predicted that the overall financial condition of LLC "Khmylnytskyi Dry Skimmed Milk Plant "Molochny Visit" is characterized by a high level of financial risk. According to the results of forecasting of financial activity, it can be

stated that LLC "Khmylnytskyi Dry Skimmed Milk Factory "Molochnyi Visit" has an insufficient margin of financial stability, a tendency towards negative changes has been revealed, which indicates the need for a detailed analysis to determine: which indicators of the company's financial activity have deteriorated, and which have improved.

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