

ACCOUNTING FOR COST MANAGEMENT OF AGRICULTURAL ENTERPRISES

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DOI: <https://doi.org/10.30525/978-9934-26-355-2-6>

Abstract. The everyday activities of business entities are associated with incurring various types of expenses. The final result of the activity depends on the amount of expenses. Therefore, every enterprise strives to minimize them, which can be achieved thanks to their effective management. *The purpose* of the scientific research is to substantiate the content of the category "costs" and to reveal the practice of their accounting in order to make proposals for improving the accounting support for their management by agricultural enterprises. *The object* of the study is the accounting system of activity costs in agricultural enterprises. The subject of the study is the theoretical-methodical and scientific-practical principles of cost accounting of agricultural enterprises. General scientific and special methods became the theoretical and methodological basis of scientific research: abstract-logical (for theoretical generalizations of research results and formulation of conclusions); tabular (for clarity of presentation of the material), grouping (for summarizing the research results), hypotheses and assumptions (for substantiating one's opinion). The information base of the research was legislative and sub-legal normative legal acts of Ukraine, publications in periodicals, monographs, works of domestic authors, Internet resources. In order to determine the adaptation of the national accounting system to international requirements, the normative and legal provision of cost accounting according to national and international standards was analyzed. According to the results of a thorough study of the legislative framework and scientific opinions, it was determined that costs characterize the cost of the enterprise's production and economic activity and express real production relations in the market environment. In order to expand and detail information about costs for management purposes, approaches to

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their classification were analyzed and disclosed. The importance of studying the nature of unforeseen costs that may arise as a result of force majeure or emergency situations was noted. The factors that affect the amount of costs are disclosed. It was determined that cost management is a system of interrelated elements (subject, object, task, tools, methods), which has the corresponding functional aspects (organization, planning, accounting, control, analysis, regulation). The purpose and task of cost accounting of agricultural enterprises is defined. The individuality of the list of expenditure items was noted, which may vary depending on the types of activities carried out and the specifics of the production of certain types of products. The characteristics of the accounts used for cost accounting are revealed. It was found that each enterprise must independently create, adjust and apply such a cost accounting system that would most accurately reflect its needs at a specific moment or period of activity. The lack of regulation of accounting for transaction costs and the interest of scientists in their essence were revealed. It was found out that it is information about transaction costs that will enable the enterprise to successfully compete on the market. Proposals regarding the organization of accounting for transaction costs and the procedure for documenting were studied. In order to ensure the formation of objective information for the analysis of transaction costs and making rational decisions, a scheme for their formation by agricultural enterprises is proposed. It is proposed to use subaccount 973 "Transaction expenses" of account 97 "Other expenses" and detail it in an analytical section in the accounting system.

1. Introduction

In the process of carrying out production and economic activities, each business entity spends certain resources on production, management, sales, purchases, etc. The amount of incurred costs has a significant impact on competitiveness and profitability, as well as production efficiency and the final results of economic activity. In modern conditions, one of the important issues of business management systems is the assessment of the level of costs and the search for ways to reduce them, as well as the study of product sales markets (goods, services) in order to obtain the maximum amount of income. Therefore, information support for management decision-making largely depends on the correct construction of the accounting system.

The theoretical and practical foundations of cost accounting and management are revealed in the works of domestic scientists: Bukalo N.A., Hayduts'kyi P.I., Zhuk V.M., Ishchenko Ya.P., Podolianchuk O.A., Koval' N.I., Storozhuk T.M.

Taking into account the scientific achievements of scientists, it is worth noting the lack of a single interpretation of the definition of "costs" and clarity in the methodology of their accounting of agricultural enterprises.

The purpose of the scientific research is to substantiate the content of the category "costs" and to reveal the practice of their accounting in order to make proposals for improving the accounting support for their management by agricultural enterprises.

2. Methodical Approaches to Determining the Economic Essence of Costs and their Classification

Analyzing the regulatory and legal provision of cost accounting, it is possible to note a significant number of legal documents in which the content of the category "costs" is revealed.

Thus, in the Natsional'ne polozhennya (standart) bukhhalters'koho obliku (NP (S) BU) 1 "General requirements for financial reporting" and in the Methodological recommendations for the formation of financial reporting, it is determined that expenses are a decrease in economic benefits in the form of disposal of assets or an increase in liabilities, which lead to a decrease in equity (with the exception of a decrease in capital due to its withdrawal or distribution by the owners) [15; 17].

In Art. 14 of the Tax Code of Ukraine (TCU) defines expenses as the sum of any expenses incurred for the conduct of the taxpayer's economic activity in monetary, material or immaterial forms, which are accompanied by a decrease in economic benefits through the disposal of assets or an increase in liabilities, which leads to reduction of equity capital (with the exception of capital changes by owners in the form of its withdrawal or distribution) [19].

According to Clause 6 of (NP (S) BU) 16 "Expenses", expenses of the reporting period include either a decrease in assets or an increase in liabilities, which leads to a decrease in the company's equity capital (with the exception of a decrease in capital as a result of its withdrawal or distribution by the owners), provided that these costs can be reliably estimated [18].

According to (NP (S) BU) 16 "Expenses", payments under commission agreements, agency agreements and other similar agreements in favor of the principal, principal, etc. are not recognized as expenses and are not included in the financial results report (combined income report); preliminary (advance) payment for stocks, works, services; repayment of received loans; other decreases in assets or increases in liabilities that do not correspond to the characteristics specified in paragraph 6 of the above-mentioned provision; expenses, which are reflected by a decrease in equity in accordance with the provisions (standards) of accounting [18].

International standards do not provide for a separate standard that would reveal the methodological principles of the formation of information about the company's expenses in accounting and its disclosure in financial statements. But the concept of "expenses", their recognition, assessment and classification is disclosed in the Conceptual basis of preparation and presentation of financial statements, International Accounting Standard (IAS) 1 "Presentation of financial statements", IAS 2 "Inventories", IAS 16 "Fixed assets" [13].

The comparative characteristics of the definition, classification and estimation of costs in accordance with the requirements of International and National provisions (standards) of accounting are given in Table 1.

Analysis of Table 1 shows that the cost definitions given in national standards are almost identical to those given in international standards. This confirms the adaptation of the national accounting system to international requirements.

The study of scientific economic literature confirms the lack of a single opinion regarding the studied definition of "expenditure" (Table 2).

Based on the conducted retrospective analysis, it can be noted that scientists characterize costs as monetary and material resources that are used during a certain period in the economic process of the enterprise, as well as an indicator of the efficiency of the economic entity [12, p. 140]. Such a definition is justified, because costs characterize the cost of production and economic activity of the enterprise and express real production relations in the market environment.

Having clarified the essence of the cost category, attention should be paid to their classification as one of the elements of the production cost management system. Classification is understood as a system of concepts

Table 1

Comparison of the content of costs under (NP (S) BU) and IAS

According to (NP (S) BU)	According to (IAS)
The standard that regulates (determines)	
(NP (S) BU) 1 "General requirements for financial reporting" and (NP (S) BU) 16 "Expenses".	According to international standards, there is no single specialized standard.
Definition of terms (concepts)	
Expenses – a decrease in economic benefits in the form of the disposal of assets or an increase in liabilities, which lead to a decrease in equity (with the exception of a decrease in capital due to its withdrawal or distribution by owners).	Expenses – a decrease in economic benefits during the reporting period, which occurs in the form of an outflow or a decrease in assets or an increase in liabilities, which lead to a decrease in capital, not related to its distribution among shareholders.
Expenses are classified depending on the type of activity from which they arose, by economic elements and expense items. Allocate direct and indirect costs, variable and constant, past and future periods.	IFRS are based on the existence of a generally accepted practice of distinguishing in reporting items of expenses that arise in the course of the business entity's activity.
Cost elements	
<ul style="list-style-type: none"> – cost of sold products; – expenses related to operational activities, which are not included in the cost of implementation: administrative expenses; Selling expenses; Other operating expenses; – financial expenses; – losses from equity participation; – other active expenses. 	IAS 1 defined classification: <ul style="list-style-type: none"> – by nature of expenses: depreciation, material expenses, payments to employees, other expenses; – by cost functions: cost of sales, sales costs, administrative costs and other costs.
Recognition of costs	
Expenses are recognized in the financial statements at the time of disposal of an asset or an increase in a liability, which lead to a decrease in the company's equity capital, based on their systematic and rational distribution during those reporting periods when the corresponding economic benefits are received.	According to IFRS, expenses are recognized on the basis of a direct comparison between incurred expenses and profits for specific items of income, which implies the simultaneous recognition of profits and expenses arising directly and jointly from the same operations or other events.
Cost estimation	
In (NP (S) BU), the rules regarding the estimation of enterprise costs are set out in a separate standard, but the standards indicate some features of the estimation of costs during operations with assets, liabilities and capital.	In IFRS, there are no rules specifically set out in a separate standard regarding the estimation of costs, but some standards contain provisions that determine the estimation of relevant costs recognized in the Statement of Profit and Loss.

Source: [13; 17; 18]

Table 2

Methodical approaches to the interpretation of the concept of "costs"

Approach to definition	Characteristics of the category
Management approach	The amount of resources used in monetary measurement to achieve certain goals.
	The cost of resources (material and labor) that are used to produce products, make a profit, or achieve another goal of the organization.
	The current costs of labor, material, financial and other types of resources for the production of products are expressed in monetary terms.
	The value expression of the absolute value of the applied and consumed resources, necessary for the implementation of the enterprise's production and economic activity and the achievement of its set goal.
Accounting approach	A decrease in assets or an increase in liabilities that leads to a decrease in the company's equity capital (except for a decrease in equity capital due to its withdrawal or distribution by owners), provided that these costs can be reliably estimated.
	The outflow or other use of assets and (or) the occurrence of payables as a result of the shipment or production of goods, the provision of services or the implementation of other operations that are the basis of the business entity's activities.
	A decrease in assets or an increase in liabilities (liabilities), or a combination of one or the other in connection with the production and supply of goods within the enterprise.

Source: formed according to [1, p. 667]

(classes) subject to some characteristic in a certain field of knowledge or human activity, used as a means to establish relationships between these concepts (classes). When building such a system of subordinate concepts, certain common features inherent in these concepts are used. They are called classification features and play a decisive role in obtaining the classification result. The more features of classification are highlighted, the higher the degree of knowledge of the studied phenomena, processes, objects and the possibilities of their management [16].

The study of classification features makes it possible to carry out effective planning of costs, their forecasting, accounting, analysis and control, which in the end will ensure the identification of reserves.

Cost classification is the process of dividing types and types of costs into separate categories. Classification of expenses is necessary in order to:

- to determine the most important characteristics of costs, which have their own characteristics and therefore deserve specialization;
- consider to what extent these selected characteristics are characteristic of other classes of costs;
- to improve the understanding of the cost management process [21, p. 76].

The study of the behavior of costs at the enterprise shows that most of them have an ambiguous character and their division into separate groups is quite conditional. Some costs can be directly attributed to products, others – not. Certain costs may be important for one type of decision and not important for another. Costs, which different authors refer to similar areas of cost classification, differ. There is also no unambiguous grouping of costs: certain types of costs are included in different directions [7, p. 101].

Operating, financial, investment and other costs arise as a result of the company's activities.

According to accounting standards, operating expenses are those that arise in connection with the main activity of the enterprise, which is related to the production and sale of products. These costs can be characterized as continuous. They are repeated with each production cycle (primary materials, technological energy, salary of production workers, etc.) or are constantly needed to manage and maintain the production system in a state of readiness (salary of management personnel, rent, depreciation of fixed assets, etc.). The costs of the enterprise for the production and sale of products, expressed in monetary terms, form the cost price of products. The cost price is the indicator that characterizes the results of economic activity, and is also a tool for evaluating the technical and economic level of production and labor, the quality of management. It acts as a starting base for price formation, and also directly affects the amount of profit, the level of profitability and the construction of the main budgets of the enterprise. Direct costs for the production of products constitute the production cost. But the production cost indicator does not fully characterize the activity process. Therefore, the indicator of full cost is being investigated, which combines production cost, administrative costs, sales costs and other operating costs. In other words, the cost of goods sold appears in the accounting system.

Financial expenses include interest charges (for the use of credits and loans, for issued obligations and financial leases) and other expenses of the enterprise related to borrowing.

Investment costs arise as a result of the enterprise's investment activities and are directed to the creation or purchase of income assets or social goods.

In today's operating conditions of enterprises, it is relevant to study the nature of unforeseen costs that may arise as a result of force majeure or emergency situations. In connection with the full-scale aggression of the Russian Federation, expenses related to the liquidation of the consequences of military operations and aimed at recovery become the object of accounting. The reflection of such expenses in the accounting system will provide an opportunity to objectively assess the amount of damage caused to the enterprise and the economy of the state as a whole.

The opinion of scientists about the peculiarities of the classification of costs in agricultural enterprises in management accounting for making management decisions according to the directions shown in Figure 1.

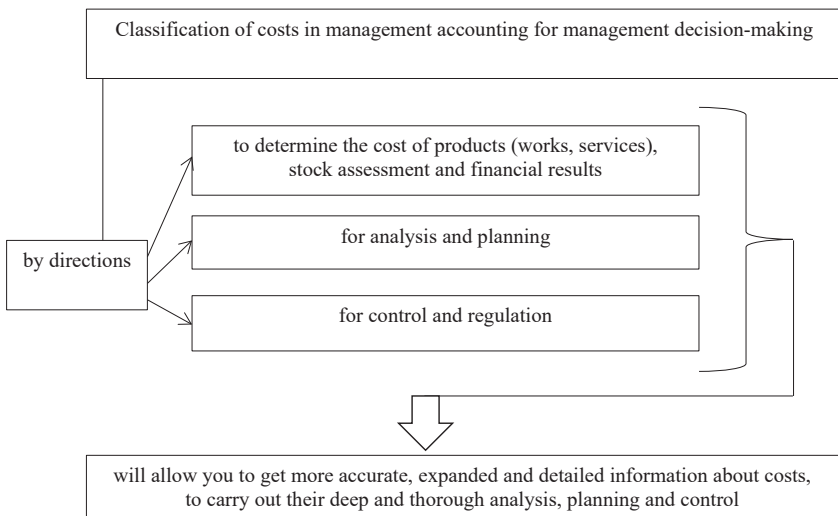


Figure 1. Classification of costs in management accounting for making management decisions

Source: [22, p. 72]

In general, the amount of production costs is influenced by various factors, which can be combined into two general groups – external and internal. External factors include state regulation of the economy, economic and geographical location, political and legal environment, natural and climatic conditions, the level of elasticity of sales prices, the level of prices for production resources, the level of prices for agricultural products, the taxation system in agriculture, the financial and credit mechanism. The internal factors include the production capacity of agricultural machinery, the introduction of innovative production technologies, the activities of the product sales service, the economy of enterprise resources, information support, the qualifications of employees, the organization of management and production, planning and rationing of costs at all stages of the technological process of production, technical and technological support, production conditions and others [26, p. 126].

Scientists suggest grouping the list of cost-generating factors by levels of economic management. All of them are divided into three main groups: micro-, macro- (meso-) and international level factors [8, p. 60].

The first include factors that directly belong to the enterprise and to one degree or another depend on its activity [8, p. 60].

Macro-level factors are external to the enterprise and do not or little depend on its work. The same factors, with some limitations, can also operate at the meso-level, that is, on the scale of certain territories, regions, and regions [8, p. 60].

International factors have a greater impact on enterprises that work with foreign suppliers and buyers. These factors determine whether it is profitable to export goods in the country chosen by the enterprise and whether it is economically justified to import raw materials, materials, components and other products of foreign production [8, p. 60].

Thus, studies confirm that the functioning of the enterprise is impossible without the daily incurring of various types of costs. Therefore, the cost accounting system is an information source for decision-making at various levels of management.

3. Theoretical Aspects of Cost Management

The practice of agricultural enterprises indicates the presence of various economic processes, which requires the study and proper organization of production, clarification of the management structure, search for product

sales markets and suppliers of raw materials, etc. All this affects significant differences from the accounting of other economic entities.

According to the results of own research, it was determined that cost management is an activity related to the analytical assessment of the formation of costs by types of activities and types of products (goods, works, services), the efficiency of the use of resources, the search for their savings to determine the so-called "effect", profitability and competitiveness. Expenses cannot be considered separately from such indicators as profit and income, since effective management of expenses provides conditions for achieving positive results of business entities. Therefore, cost management (Figure 2) can be characterized as a system of interrelated elements (subject, object, task, tools, methods), which has the corresponding functional aspects (organization, planning, accounting, control, analysis, regulation) [20].

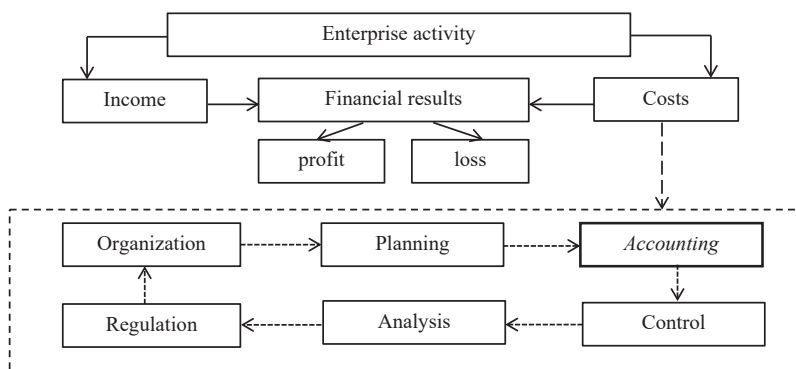


Figure 2. Cost management system

Source: [20]

We believe that accounting performs the most important informational role, as it ensures the consistency of all other functions [20].

Thus, for managerial needs, there is no information more accessible and reliable than accounting information. After all, it is formed on the basis of systematic and complete documentation of all economic transactions [5, p. 72].

Classically, with the help of the accounting system, the enterprise has the opportunity, firstly, to control each item of expenses, secondly, to conduct

an analysis of the cost mechanism, thirdly, to prepare data for calculating the unit cost of production (works or services), fourthly, use accounting data to plan expenses for the future. Finally, fill out the financial reporting forms – "Report on financial results (report on total income)" and "Notes to financial reporting" [9, p. 215].

Accordingly, the information support of the cost management system is a set of data obtained by the management subjects of various branches based on the results of their performance of cost management functions. However, accounting performs the most important informational role, as it ensures the consistency of all other functions. Any information is measured, systematized and transferred to managers for processing and decision-making. For cost management, we obtain information from generalized reporting forms, which were formed based on accounting data [20].

Therefore, each enterprise must independently create, adjust and apply such a cost accounting system that would most accurately reflect its needs at a specific moment or period of activity. A well-chosen complex system of cost estimation and the efficiency of their use will help the enterprise to rationally allocate costs and correctly form the cost price of its products in order to obtain profit in the future.

Cost accounting in agricultural production must provide prompt, reliable and complete information on the quantity and value of the products received, labor, material and monetary costs for the production of products for the enterprise as a whole and for its individual structural divisions (teams, workshops, farms, etc.) [14, p. 501].

4. Practice of Cost Accounting of Agricultural Enterprises

One of the most important economic elements for every enterprise is the accounting of production costs, which requires timely and effective intervention to solve accounting issues in order to ensure the completeness and timeliness of their reflection in the accounting system [14, p. 841].

The main purpose of cost accounting of the enterprise is to control all types of activities and manage costs for their implementation [25, p. 754].

Due to expenses, various aspects of the activities of economic entities are highlighted, since the reasons for their occurrence are almost always managerial decisions [10, p. 841].

The purpose of cost accounting of the enterprise is a documentary, timely, complete and reliable display of actual costs by their types and types of activities to control the use of material, labor and financial resources [25, p. 755].

Taking into account the activity of agricultural enterprises, it is possible to single out the main tasks of accounting for activity costs:

- information provision of the enterprise administration regarding expenses for making management decisions;
- observation and control of the actual level of expenses compared to their standards and planned sizes in order to identify deviations and form an economic strategy for the future;
- reliable accounting of output of products by their types, taking into account quality;
- calculation of the cost price and manufactured products for the evaluation of finished products and calculation of financial results;
- identification and evaluation of the economic results of the activity of structural divisions;
- systematization of information from the management accounting of production activities for making decisions of a long-term nature (payback of production programs, profitability of products, efficiency of capital investments, etc.) [25, p. 754].

The organization of cost accounting at an agricultural enterprise should be organized according to the following principles:

- indicators of cost accounting and calculation of production costs must be agreed with planned and normative indicators;
- documentation of expenses at the time of their implementation, separate display of expenses according to norms and deviations from norms of resource expenditure and labor remuneration;
- all costs related to the production of products of a given period must be included in its cost price;
- all costs through the system of accounting accounts must be grouped by cost accounting objects and cost items;
- the cost of production is calculated based on cost accounting data, which requires the identification of cost accounting objects with costing objects [23, p. 745].

A special feature for agricultural enterprises is the use of an individual list of expenditure items, which may vary depending on the types of activities carried out, the specifics of the production of certain types of products.

In the accounting system of business entities, accounts of class 9 "Operating costs" are used to display costs, namely: 90 "Cost of sales", 91 "General production costs", 92 "Administrative costs", 93 "Sales costs", 94 "Other operating expenses", 95 "Financial expenses", 96 "Loss from equity participation", 97 "Other expenses", 98 "Income tax" [4].

The characteristics of accounts of class 9 "Activity expenses" are presented in Figure 3.

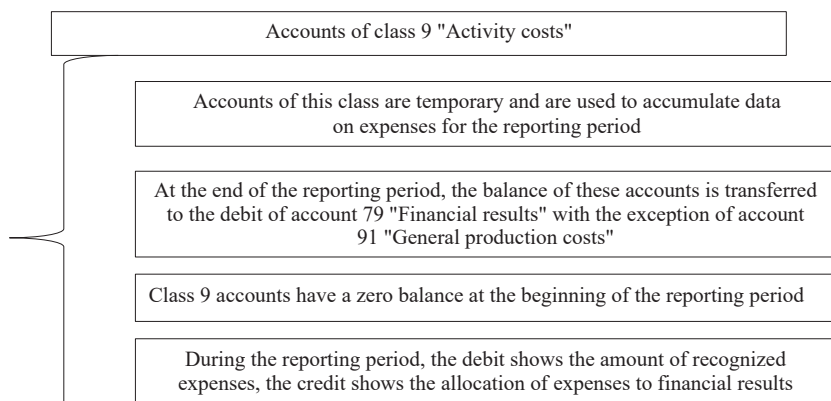


Figure 3. General characteristics of accounts of class 9 "Activity expenses"

Source: [6, p. 216]

Accordingly, the accounts of class 9 "Activity costs" are used to summarize information about the costs of operational, investment, financial activities and the costs of preventing emergency events and liquidating their consequences. The debit of the accounts of this class shows the amount of expenses, the credit shows the amount of expenses at the end of the reporting year or every month to account 79 "Financial results" [4].

Analytical accounting of activity costs is carried out by types of production, by cost items, by types and types of activities, by types or groups of manufactured products. At large productions, analytical cost accounting can be carried out by enterprise divisions and cost and responsibility centers.

5. Directions for Improving Cost Accounting of Agricultural Enterprises

The relationship between these business entities has a complex multi-vector nature. They include the constant search for a reliable counterparty, the conclusion of agreements and the fulfillment of contractual terms, monitoring their implementation, etc. In the process of economic activity, each of them incurs transaction costs (considered or not), which ultimately affect the performance of the activity, therefore the scientific community pays special attention to transaction costs [3, p. 181].

The term "transaction" comes from the Latin "transaction" and means – implementation, agreement. This term is used when conducting banking operations, as well as when reaching a mutual agreement. The basis of scientific research on accounting is the approach of transaction costs of the institutional environment.

The main approaches to the interpretation of transaction costs by various scholars are shown in Table 3.

It is incorrect that there is no legal regulation of such costs in the accounting system. Implicit transaction costs are not reflected in accounting, and explicit transaction costs are not identified.

Scientists propose the classification of transaction costs according to the following groups:

1. Costs for business operation (not production, but more organizational and legal support).
2. Costs for searching and collecting information required for conducting business (and not only for concluding and implementing contracts).
3. Costs of concluding agreements and monitoring the fulfillment of their terms (including costs of preventing opportunistic behavior of counterparties and competitors and losses from the negative impact of such behavior).
4. Expenses for lobbying one's own interests through professional associations and organizations.
5. Costs for "personnel compliance" (search, training and retraining of personnel).
6. Costs for establishing and maintaining contacts with influential persons (who have an influence on the functioning of institutions or are most protected by them and who have potential or real institutional interests in business).

Approaches to determining transaction costs (TC)

Representatives	Substantive provisions
R. Kouz	TC is the cost of using the price mechanism or the market.
K. Eppoy	TC is the "expenses of operating the economic system", which lead to a difference in the prices of sellers and buyers, additional losses, and a decrease in public welfare.
P. Milgr, J. Roberts	TC is considered as "trading costs".
W. Nicholson	TC includes payment for the services of intermediaries and expenses for searching and collecting information.
G. Demsets	TC is the cost of market contracting.
A. Alchian, G. Demsets	Special attention was paid to such a component of TC as the costs of opportunistic behavior (the control of "principal-agent" relations arising as a result of "evasion").
O. Williamson	TC has been studied in relation to bounded rationality (making decisions without gathering all available information) and opportunism (covert or overt pursuit of one's own interests to the detriment of the partner's goals).
D. Alen	TC is the cost of establishing and ensuring the right of ownership.
T. Eggertsson	TC arise in case of exchange of ownership rights to economic assets, providing exclusive rights.
D. North	TC is a component of production costs. Capital is used both for transformation and for transactions.
A. Oleynyk	TC is the cost of transferring ownership rights. He believed that transaction costs cannot arise in the middle of one firm. They take place during market interaction between firms and individuals.
J. Jones, S. Hill	The costs of negotiations, monitoring, and conducting an agreement that enable the parties to reach an agreement belong to TC.
L.O. Lokhanova	TC arise both in connection with the entry of the enterprise into contact with external entities, and within the boundaries of the enterprise itself.
I.V. Hovrak	TCs affect the level of economic security of corporations, so it is worth finding a balance between the amount of these costs and the desired level of security. TC strengthen the competitiveness of corporations and increase the efficiency of their activities, and these costs are often associated with monopoly of sellers, corruption and administrative pressure.
Y.P. Ishchenko	TC is the price paid by the economic system for the imperfection of its markets.
T.I. Dolishnya, S.M. Kafka	Transaction costs are business costs.

Source: [24, p. 223]

7. Costs due to institutions of public trust (costs for an independent business assessment, costs for a mandatory audit, etc.).

8. Costs for social and environmental requirements [2, p. 12].

The above gives the right to assert that there is also "a place" for transaction costs in the system of financial accounting accounts, since the breadth of their interpretation allows them to be understood as part of administrative costs, part of sales costs, and part of other costs, the list of which can be continued according to nomenclature of accounting accounts. But the above concepts of "costs of the period" and "other costs" are not the same as the concept of transaction costs, and this leads to the conclusion that neither in the financial accounting system nor in the management system – transaction costs are not separated [11, p. 129].

The management apparatus can obtain information about transaction costs thanks to the accounting system. This information will make it possible to constantly monitor, analyze and control them and, as a result, make management decisions aimed at possible changes in the forms of market interaction and savings in transaction costs, which will enable the company to successfully compete on the market. In modern economic conditions, such information remains outside the attention of the cost management system, and its receipt is not ensured by the accounting system, which significantly limits the ability of economic entities to carry out their analysis, control and regulation [24, p. 223].

The results of the study of the problems of accounting for transaction costs showed a wide variety of proposals for reflecting transaction costs in accounting, in particular by:

– deepening and expanding the content of the accounting accounts, namely the addition of accounts 92, 93, 94, 95, 96, and 97 with relevant sub-accounts for accounting of transaction costs using analytical accounts by types of transaction costs;

– the release of one of the existing accounts of class 9 of the Chart of Accounts to ensure the possibility of separate accounting of transaction costs, namely account 98 with the name "Transaction costs", and the opening of sub-accounts intended for the accounting of transaction costs by their types;

– use of account 973 (which is excluded from the Chart of Accounts) with the use of analytical accounts by types of transaction costs [3, p. 182].

There are also proposals for organizing the accounting of transaction costs on off-balance sheet accounts by separating a separate account "Transaction costs" and detailing information on its sub-accounts, which is possible under the conditions of automation of accounting [3, p. 183].

In order not to make significant changes to the Chart of Accounts and to rename already existing and used accounts, scientists consider the optimal option for organizing the accounting of transaction costs to be the use of account 973 entitled "Transaction costs and losses" with the use of analytical accounts by types of transaction costs and the allocation of a separate analytical account "Transaction losses" [24, p. 226].

Business entities should conduct an analysis of incurred expenses over the past 3-5 years in order to determine their volume and develop a system of analytical accounts for the working plan of accounts. For small amounts of incurred transaction costs and losses, it is possible to offer the display of such amounts on account 977 "Other activity costs" with the allocation of a separate analytical account. If a wider and deeper detail is necessary, it is possible to offer accounting of transaction costs and losses on off-balance sheet accounts by separating a separate account "Transaction costs" and detailing information on its sub-accounts, which is possible under the conditions of accounting automation. For significant volumes of transaction costs and losses, it is advisable to allocate a separate element (item) of costs "Transaction costs" in the accounting and financial reporting of enterprises. The choice of accounting organization option should be made by each business entity independently within the framework of its accounting policy, based on the results of the analysis and management needs for such information [24, p. 226].

The proposal to display transaction costs in agriculture deserves attention (Table 4).

Determination of the primary documents for registration of each type of transaction costs is an important prerequisite for the formation of a system of their analytical and synthetic accounting and obtaining information necessary for management (Table 5).

Indeed, the presence of elements of transaction costs in production and sales, administrative costs, other operating costs, costs of financial and investment activities and even extraordinary costs is undeniable. But transaction costs, although "hiding" among the company's costs, organically

Reflection in the accounting of transaction costs in agriculture

Accounts	Subaccounts
91 "General production costs"	911X "General production and transaction costs by types of activity"
	9111 "General production and transaction costs in crop production"
	9112 "General production and transaction costs in animal husbandry"
	...
92 "Administrative expenses"	921X "Administrative and transactional expenses by type of activity"
	9211 "Administrative and transaction costs in crop production"
	9212 "Administrative and transaction costs in animal husbandry"
	...
93 "Sales costs"	931X "Transaction costs for sales by type of activity"
	9311 "Transaction costs for sales in crop production"
	9312 "Transaction costs for sales in animal husbandry"
	...
95 "Financial expenses"	953X "Financial and transaction costs by types of activity"
	9531 "Financial and transaction costs in crop production"
	9532 "Financial and transaction costs in animal husbandry"
	...
97 "Other expenses"	978X "Other transaction costs by type of activity"
	9781 "Other transaction costs in crop production"
	9782 "Other transaction costs in animal husbandry"
	...
99 "Extraordinary expenses"	994X "Extraordinary transaction costs by type of activity"
	9941 "Extraordinary transaction costs in crop production"
	9942 "Extraordinary transaction costs in animal husbandry"
	...

Source: [11, p. 130]

Documentation of transaction costs and losses

Stages of transactions	Transaction costs	List of documents
Company registration and related formalities	Specification costs (registration costs: obtaining licenses, obtaining a legal address, opening bank accounts)	Certificates of registration, licenses, application for registration, receipts, payment order
Search for information about potential transaction partners	Costs for searching for partners, obtaining information about potential buyers or sellers, losses from insufficient information	Accounts, payment documents related to representative expenses, expenses for obtaining information, analytical calculations
Selection of transaction partners	Costs for evaluating the quality of products, goods, works, and services for which ownership is transferred	Documents for the purchase of equipment, devices for product quality assessment, calculations of specialized institutions for quality assessment, franchise agreement, receipt, payment order
Preparation for the conclusion of the agreement	Costs of negotiating the terms of the transaction, costs of protecting property rights, costs of preventing opportunistic behavior	Invoices, payment documents for legal services, communication services for representative expenses, contracts
Conclusion of the agreement	Costs of legal registration of the agreement	Invoices, payment documents for legal services, communication services for representative expenses, contracts
Control of the execution of the agreement	Costs for monitoring, fulfillment of the terms of the contract and measures to bring the other party to justice as a result of their violation	Documents on the remuneration of persons who supervise the implementation of agreements, court decisions and calculations of the sums of accruals for remuneration expenses

Source: [24, p. 225]

flowing into their structure, still belong to purely theoretical concepts in economics [11, p. 129].

We agree with the opinion that this type of expenses should be objectively reflected in the accounting system and should be identified as an object of control and audit. It is necessary to develop a certain methodical toolkit for assessing the effectiveness of transaction costs and the nature of their impact on the performance indicators of an agricultural enterprise in the same way that transaction costs are related to production, social, environmental and other life environments of the state [11, p. 131].

Taking into account the activity of agricultural enterprises in modern economic conditions, we believe that it is appropriate to separate them in the accounting system of transaction costs (Figure 4).

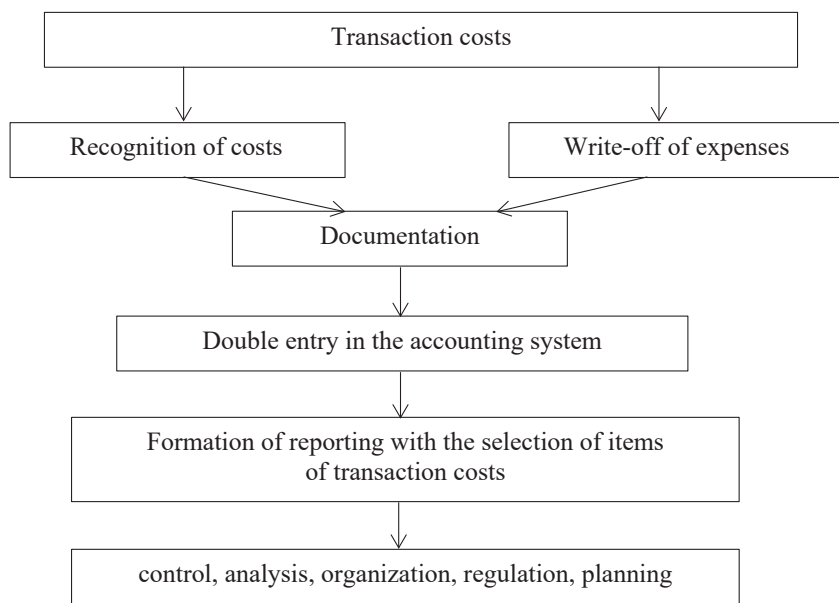


Figure 4. The proposed scheme of formation of transaction costs by agricultural enterprises

Source: substantiated by the author

Taking into account scientific research, we make proposals regarding the separation and classification of transaction costs in the accounting system of agricultural enterprises:

- costs for the implementation of premises protection measures: mandatory protection measures in warehouses against pests, fungi, diseases, infections, etc.;
- expenses for improving the working conditions of employees working in warehouses, granaries, farms, etc.;
- costs for product certification;
- management costs (relevant training of personnel, costs for recruiting services (search for personnel);
- costs of participation in professional associations (lobbying the interests of the industry at the state level);
- expenses for the fulfillment of social and ecological conditions of local communities (authorities): local improvement (roads, repair of educational institutions, etc.);
- social assistance (participation in charity events, etc.);
- costs for consulting (search for information);
- outsourcing costs (comparative analysis between sellers of services on the agricultural market in this segment).

In the accounting system, it is proposed to use sub-account 973 "Transaction costs" of account 97 "Other costs". At the moment, subaccount 973 is excluded from the composition of accounts, so its use is possible in the accounting system of business entities. Analytical accounts will be opened according to the proposed structure:

- 973 / expenses for the implementation of premises protection measures;
- 973 / expenses for improving the working conditions of employees;
- 973 / costs for product certification;
- 973 / management costs;
- 973 / costs of participation in professional associations;
- 973 / expenses for the fulfillment of social and ecological conditions of local communities (authorities);
- 973 / social assistance;
- 973 / consulting costs;
- 973 / outsourcing costs.

5. Conclusions

The amount of incurred expenses affects the final result of the business entity's activity. Agricultural enterprises are such entities that have specific accounting objects related to biological transformations and an individual list of cost items. The accounting practice of agricultural enterprises indicates the presence of all types of activity costs: operational, investment, financial, as well as unforeseen costs. Various factors and factors affect the amount of expenses. Therefore, properly organized accounting will provide a proper cost management system with the goal of not only minimizing them, but also increasing the quality of products and their competitiveness on the market.

Based on the results of the study of the legislative framework and scientific opinions, we substantiated our own opinion regarding the essence of the researched category: costs are resources expressed in monetary terms, spent on production and management.

Based on own research, it can be argued that cost management is a system of interrelated elements (subject, object, tasks, tools, methods), which is characterized by relevant functional aspects (organization, planning, accounting, control, analysis, regulation). Accounting information is a source for management needs.

Characterizing the modern conditions of the activity of agricultural enterprises, it is possible to note the need to keep records of transaction costs. We agree with the opinion of scientists that transaction costs are costs for supporting business activities, which largely depend on the institutional environment. A part of the transaction costs is dispersed in the expense accounts of the ninth class "Activity costs". We suggested using subaccount 973 "Transaction costs" of account 97 "Other costs" and detailing it in an analytical section in the accounting system. Proposals regarding the accounting of transaction costs are related to the need to control and identify inefficient institutions that operate in the business environment of the agrarian sector of the economy.

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