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USE OF THE INTELLECTUAL ANALYSIS IN THE ACCOUNT OF PRODUCTION COSTS

Annotation: *This article discusses the factors affecting the use of intellectual analysis in accounting and auditing. The article focuses on the benefits that information technology and data analysis provide to enterprise accounting. The article also touches upon the features of the application of ABC-analysis in the activities of the enterprise.*

Keywords: *accounting, information technology, intellectual analysis, production costs, ABC-method.*

The method of accounting for the costs and results of the company's activities will be activity based costing, or ABC-method. With this method, the costs of the enterprise, taken into account by type (cost elements and calculation items), are grouped first by the functions of production and economic activity, and then attributed to the cost of specific types of products.

As a rule, in practice, there are no problems with the distribution of direct costs, since they can be directly attributed to the cost of a specific cost object. Indirect costs are more difficult. Traditionally, they are transferred to cost objects in proportion to the amount of labor, volume of production, sales etc.

The cost calculation is based on the volume of actions consumed.

There are two main options for implementing the ABC model [1]:

– through the introduction of special monthly reporting reflecting the results of grouping costs by function, and calculations based on this grouping. Reporting is used for the internal management of the enterprise;

– implementation of the ABC model within the framework of the current accounting system. To do this, an additional subsystem of accounts is used.

The control of the correctness of the reflection of information in the process cost accounting unit is carried out through the use of mirror accounts.

When using special reporting based on primary documents and calculations, along with the designation of the type and place of costs, the designation of the code (cipher) of the function or process from consumption is indicated. Direct costs are included. The total indirect costs are additionally grouped according to the specified functional attributes.

The second method is less proven in practice. It requires that additional management accounting accounts allow you to obtain information about the amount of costs for the processes of supply, production and sales. Currently, this system can only be used by large enterprises with high profitability.

Thus, comparing the advantages and disadvantages of the standard-cost, direct-cost and ABC-model methods, we can conclude that, in our opinion, the combined ABC model is the most acceptable, which allows taking into account the complexity of the cost calculation stages.

The choice of the mechanism for implementing the ABC model within the management accounting system for each specific enterprise should be carried out individually in accordance with the management objectives and the possibilities of processing planning and economic information.

The reliability of the calculation of the cost of production depends on the methods used to assign costs to accounting objects: by direct write-off or indirect distribution.

The main purpose of cost classification for management purposes should be to create an information base that would allow making correct and informed

decisions.

To determine the production costs for a specific type of products (works, services), the implementation of rationing, planning and control over the use of resources, ensuring the calculation of the unit cost by type of output, direct and indirect costs in relation to the production of products should be divided into groups:

- direct mandatory: wages, social contributions;
- depreciation of fixed assets, direct auxiliary, means of protection, depreciation of general;
 - buildings and structures, electricity, services of the machine and tractor fleet and third-party organizations, repair costs of buildings and equipment related to this group;
- direct organizational: remuneration of the foreman, workers in the preparation of feed; lump-sum payments; labor protection, ecology, etc, which can be attributed directly to production costs [2].

Indirect costs can be allocated to individual items, the composition of which is different, but at the same time they are necessary components of production costs. Among the indirect costs, in our opinion, mandatory and additional overhead costs should be singled out.

Additional overhead costs are incurred by business entities in order to improve the working conditions of employees, increase their interest and responsibility for the performance of work and the provision of services.

The purpose of this grouping is to determine the cost of production in the following calculation directions:

- determining the size of direct costs both per unit of production and in general for all products;
- determination of the cost of production with the inclusion of all direct, mandatory and additional indirect costs;
- calculation of the cost using all the costs produced and included in the

production costs.

On the basis of direct and indirect costs in such a classification, it is possible to determine the limits of investments for the current period, to outline ways to save them or recover additional funds for the future. All this will lead to an increase in their profitability and competitiveness.

The grouping of costs that we have clarified will allow us not only to establish costs by categories of significance and the need for their implementation per unit of production, but also to determine the cost of production in the following calculation directions:

- determining the size of direct costs both per unit of production;
- calculation of the cost of direct and mandatory indirect expenses;
- determination of the cost of production with the inclusion of all direct, mandatory and additional overhead costs;
- calculation of the cost price using all expenses incurred and included in the production costs.

On the basis of direct and indirect costs in such a classification, enterprises will be able to determine the limits of their investments for the current period, outline ways to save them or find additional funds for the future. All this will lead to an increase in their profitability and competitiveness.

The products arrive relatively evenly throughout the year, but they are estimated at the planned cost with an adjustment at the end of the year to the actual level. This does not give the head of the enterprise objective and reliable information about the costs incurred for the products. The main reason that does not allow calculating the cost of this industry on a monthly basis is currently the use of the planned cost of feed.

We propose to use the advantages of both of the above-mentioned systems - identification, classification and analysis of deviations to improve the accounting of costs that ensure the production of products. In the current practice, deviations are estimated at fixed accounting prices and, thus, the cost

factor is not taken into account. Raw material prices may change during the reporting period, and wage rates may change. The reasons that cause them are external from the point of view of production and do not depend on the work of the responsibility centers.

However, in our opinion, in the end, costs represent an estimated expenditure of material or labor resources and depend on both quantitative and cost factors. The center of responsibility should control the cheapening or appreciation of the raw materials used. The quality indicators of his work and the company as a whole depend on this. In cases of preparation of feed mixtures of different composition or changes in the composition of workers by qualification, deviations in the value factor are to a certain extent in the responsibility of the brigade. Therefore, the identification of deviations not only in quantity, but also in price per unit of resources is necessary for comprehensive control of production costs.

We propose to charge depreciation monthly, based on the volume of products received, calculations will allow you to calculate the actual cost of production on a monthly basis, assess the impact on its dynamics of the results of the activities of each responsibility center, analyze deviations and make appropriate management decisions. To build a unified structure of cost calculation items and implement the principles of «standard-cost» and «direct-costing», a nomenclature of elements and cost items with the distribution of seasons is proposed.

References

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