
ANNOTATION

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The development of the energy service market: world practice and Ukraine's realities

The article analyzes the world practice of the energy service market performance and energy service companies, which act as its major operators, for the purpose of adapting best practice to Ukraine's realities and applying it to the current economic and institutional environment in Ukraine. Given the influence of exogenous and endogenous factors and the need to enhance energy security and environmental safety of the country, it is stressed that the issue of developing the energy service market and strengthening energy service companies is particularly challenging.

A range of methodological approaches to examining and adapting such a practice are grounded. The rationale for these approaches is that the development of energy service markets and their main parameters may depend on the level of economic development, institutional environment, availability of fuel and energy, climate conditions, etc. Certain regions and particular countries in which such dependence is observed are singled out.

The main models for developing energy service markets in the world are determined as well as their parameters: market size, market potential, main types of energy service contracts, institutional environment in which markets operate, methods of financing energy-saving measures. The major parameters of the energy service market and the performance of energy service companies in the countries representing different models are assessed based on sound methodological approaches. The study reveals that the assumption about dependence of the energy service market on the level of economic development, institutional environment, climate conditions, availability of fuel and energy proved true.

Key words: energy service market, energy service contract, energy service company, energy efficiency.

Alina Zhukovska

Public-private partnerships in social services: foreign practices and prospects for implementation in Ukraine

The article outlines the issues of social infrastructure development in Ukraine. The need of addressing these issues through implementing public-private partnership projects is justified. Some priority areas for introducing public-private partnership in Ukraine are identified. The best foreign practices of attracting private sector to solving problems of social infrastructure development are considered. It is revealed that priority areas where public-private partnerships operate are dependent on the level of socio-economic development of the country. Some practices of public-private partnership projects in education in the UK, Australia, Germany, and Egypt are analyzed in detail and their common characteristics are systematized. Based on the analysis of best foreign practices applied in implementing public-private partnership projects in healthcare, the following key measures are formulated: direct provision of medical services, management of medical assets, development and production of pharmaceuticals, improvement of access to medical services and products. The performance of public-private partnership projects in the healthcare sector in the UK, France, Australia and Sweden is analyzed in detail. The paper describes both more and less successful examples of public-private partnership in this sector. The article defines the following reasons for low-level imple-

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mentation of public-private partnership projects in healthcare: schedule delays in construction, operation-cost overruns, poor hospital and ward layout, use of low-cost medical equipment which requires regular renewal. The research also considers the best foreign practices of introducing public-private partnership projects in the field of culture. Some characteristic features of public-private partnership projects in social services in foreign countries are identified. The national practices of introducing public-private partnership projects are highlighted and priority areas of their operation are singled out. It is found out that the implementation of public-private partnership projects in social services is not popular among domestic investors. Some individual projects of public-private partnership in social services are considered. A particular attention is paid to both more and less successful ones. The main problems of the implementation of public-private partnership projects in the national education, healthcare, culture are outlined and ways for their solution are proposed.

Key words: public services, social infrastructure, public-private partnership, education, healthcare, culture.

Victoria Melnyk, Oleh Pohrishchuk

Economic potential for growth in rural areas in the context of euro-integration processes: prospects for strengthening

In the article, the authors reveal the essential and meaningful content of current development of rural territories. Rural areas are viewed as socio-spatial entities that combine organizational, business, socio-economic, and natural-resource components through the functions they perform, provide diversified growth and create a living environment for people. The basic causes and preconditions for strengthening the economic potential of rural areas are outlined. It is stressed that applying the EU practice on high priority of state support of rural areas, socio-economic priorities of rural settlements, and protection of national producers, proves the direct link between the state support of rural areas and agriculture, on the one hand, and the standard of living of farm people, on the other hand. The key tools for such a policy should include the support of households for enhancing business and developing new activities aimed at particular export segments, which create job opportunities for local people.

The article identifies the key factors determining conditions and potential development opportunities for rural areas and possibilities for social interaction through taking into account the interests of both urban and rural settlements for enhancing their economic strength by developing entrepreneurship; own business planning processes; new resource flows and direct state support for domestic companies; infrastructure development and implementation of projects for spatial development aimed at increasing the business sector of local economy and supporting human capacity. It is proved that organizational and economic measures taken in accordance with the conceptual framework for further development of innovative entrepreneurship will contribute to prompt and efficient high-quality changes to strengthen economic potential of rural areas.

Key words: rural areas, economic potential, euro-integration processes.

Anzhela Kuznietsova, Oleksandr Levchenko

Development of methodological approaches to establishing an integrated risk management framework for leasing transactions in Ukraine

Based on studies of domestic and foreign researchers, the article gives a modified and extended classification of risks related to leasing transactions which includes a new classifi-

cation attribute 'by types of leasing activities' (in terms of risk management). Risk mitigation techniques for leasing transactions are described in detail, as well as their essence, ways of introducing and expected outcomes. The advantages of securitization are summarized and key reasons for low efficiency of this method in the domestic leasing market are identified. For these reasons, the domestic stock market is less developed and Ukraine's current legislation on leasing is imperfect.

It is pointed out that success in development of Ukraine's financial market relies on the growth of leasing along with the efficiency of financial and credit mechanism that supports leasing transactions and determines the quality of risk management framework as an integral part of such a mechanism.

The process of risk management for leasing transactions is formalized. A comparative analysis of fragmentary and complex approaches applied in Ukraine towards establishing a risk management framework for leasing companies is undertaken. The paper justifies the necessity of establishing an integrated risk management framework for leasing transactions as part of financial and credit mechanism that supports leasing transactions.

The need for establishing such a framework is driven by the following market trends: globalization; increased competition; company consolidation; product standardization; product life cycle decrease; technological innovation; increased attention to risks given by the state, society, stockholders and board of directors.

It is stated that establishing an integrated risk management framework for leasing transactions involves the following progressive steps: setting goals and targets, identifying and evaluating risks, planning for potential risks, monitoring risks and introducing risk management process.

The article highlights the main goal of an integrated risk management framework for leasing transactions, long-term tasks for achieving this goal, major function that the framework should perform and principles that it should preserve.

Key words: risks, leasing transactions, risks of leasing transactions, risk mitigation techniques, integrated risk management framework for leasing transactions.

Oksana Losheniuk

The concept of regulation of international labour migration in Ukraine

The article deals with challenges and opportunities for international labour migration in Ukraine. It is stressed that the approach to regulation of international labour migration should be comprehensive and should encompass a whole range of factors influencing migration flows, which will ensure making appropriate economic and social changes. The present concept of regulation of international labour migration in Ukraine is analyzed and the need for its improvement is discussed. The priority goals of the Concept of State Migration Policy in Ukraine are highlighted. It is stated that state migration policy is carried out in both emigration and immigration. Some of the key factors of immigration and emigration are identified. It is proved that migration policy in Ukraine is being shaped towards the European Union, which envisages a mutually beneficial redistribution of human resources over the countries. The paper claims, that achieving the quality of life as high as in the EU countries is a key demand for the integration into the European Union. It is emphasized that the existing legislation on migration has some weak points related to developing and fulfilling human potential of migrants. A range of measures to regulate international labour migration is introduced. Based on the research findings, the following actions are proposed to meet the aims of regulation of international labour migration in Ukraine: reduction of emigration from Ukraine by improving its socio-eco-

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conomic status; training and retraining of potential emigrants tailored to the specific characteristics of labor market growth in the country; stimulation of internal mobility aimed at the reduction of emigration; regulation of external employment of Ukrainian citizens; creation of conditions for attracting and efficient using of migrants' money transfers; using transnational connections of migrants; halting the employment of national human resources; stimulation of immigration attractiveness for certain professional; halting illegal and undesirable migration; regulation of immigrants in Ukraine; legalization of illegal present immigrants; signing bilateral agreements between countries on return migration; stimulating re-emigration; protection of the rights and interests of labour migrants in Ukraine and abroad.

Key words: international labour migration, state migration policy, the concept of regulation of international labour migration

Iryna Ometsinska, Nataliia Pochynok

Concern areas of pricing at domestic enterprises

The subject of study is theoretical and methodological principles of pricing at domestic enterprises. In the course of investigations general scientific and special methods of scientific knowledge were used, including generalization and systematization, induction and deduction, system approach, analogy. Economic nature of price was studied and offered to be considered as a monetary equivalent of a product unit (works and services), which shows the product's value of utility and amount of money spent on buying or selling it.

We also determined the factors that affect pricing and distinguished them by the following groups: internal and external factors, factors that are partially or totally controlled by the enterprise, factors that are out of control or the enterprise and factors reducing or increasing the price. The internal factors that are fully controlled by the enterprise include the cost of production (works, services), accounting policy of the enterprise, after-sales service and the use of limited resources, product quality, the brand and territorial placement. The external factors include demand for products, amounts of sales on the market, quality and price of the same products charged by the competitors, buyer's focus on a high quality and low price, seasonality of demand, tax system, interest rate, price type, solvency of the population, state of country's economy.

The stages of the pricing process include certain internal and external impact factors, study of the state price policy, calculation of minimal and initial price of products by means of the return method based on the information formed within the accounting system. They also provide for calculating the product price by a variety of methods, setting price and analysis of the range of its change, control over the validity of the price and compliance with the law. We also determined the procedure for the costing methods to be implied. And finally, we outlined the basic problems leading to distortion of cost of products (works and services). They include a wrongly selected accounting policy, imperfectness and contradiction of normative legal acts, incorrect allocation of indirect costs, shadow costs available and unjustified overcharge.

Key words: price, pricing, influence on pricing, methods of pricing, cost methods of pricing, product cost (works, services).

Kostiantyn Bezverkhyi

Genezes of integrated reporting in the world

The subject matter of the study is the development of integrated reporting in the world. The purpose of the research paper is to describe the development stages of integrated reporting and to examine the dynamics of its formation and introduction in the world over the period

between 2012 and 2016. Historical and dialectical research methods are used for analyzing the development of integrated reporting in different countries of the world. Other research methods for studying the development of integrated reporting include analysis and synthesis, induction and deduction, abstraction, idealization and generalization. The research findings can serve as a basis for introducing integrated reporting in domestic corporations and for defining its economic essence. Applying integrated reporting primarily refers to corporate enterprises.

Key words: integrated reporting, genesis, world, stages, analysis, dynamics.

Yaroslav Krupka, Mariia Muzyka

On qualitative characteristics of financial reporting

The article generalizes the role of accounting and reporting in information provision for enterprise activities. It is claimed that, on the one hand, financial reporting provides a guide in identifying accounting items, accounting nomenclatures, and information flows of synthetic and analytical accounting. On the other hand, a balance sheet and other reporting items are used to complete the reporting process, and afterwards on the basis of detailed accounting data a number of summarized indicators are calculated for different users of information.

Special emphasis is given to the fact that with advancing computer and telecommunication technology it is becoming easier to achieve the required timeliness and completeness of accounting and reporting data. Thus, the focus should be on ensuring a high level of accounting and reporting information.

The paper reveals some essential qualitative characteristics of reporting information targeted towards consumers and necessary for decision-making. The latter, the focus on using information for making decisions, is exactly what reporting should be primarily aimed at.

A number of essential qualitative characteristics and limitations of usefulness of reporting information for management are comparatively assessed. These characteristics include relevance which comprises timeliness, necessity, and feedback as well as reliability of information: verification, representational faithfulness and independence. Comparability of reporting information is singled out among matching qualitative characteristics. In addition to qualitative characteristics, one should pay due attention to limitations related to comparison of benefits and costs of information, significant restrictions in response to the prudence concept (conservatism), and accept threshold (materiality).

Other qualitative characteristics proposed by different authors are also analyzed. The article also highlights important approaches to improving the quality of reporting information in order to fully meet the needs of different groups of users, harmonize national and international regulations for generating key performance indicators in financial reporting, and attract foreign investment to Ukraine's economy.

The current issues of accounting and financial reporting in accordance with national and international standards are considered. A comparative assessment of qualitative characteristics is carried out in fulfilment of the international regulations (The Conceptual Basis of Financial Reporting) and National Accounting Standards of Ukraine. Some proposals on harmonization of national and international standards for the formation of financial reporting are put forward.

Key words: accounting information, financial reporting, information provision, users of information, quality of information.

Volodymyr Muravskyi

Automation of inventory check in computer communication form of accounting

The article claims that control over the safeguarding of assets and liabilities requires carrying out an efficient inventory check. It is noted that an inventory process involves some challenging tasks, namely taking a set of preparatory and organizational measures, providing complex documentary support, exploiting results in multiple ways and mobilizing additional human resources. It is pointed out that applying radio frequency identification (RFID) is a promising method to optimize inventory procedures.

Methods of analysis and synthesis are used for structuring the subject matter of the research on the basis of identification and formalization of automated inventory procedures in an enterprise.

A number of proposals related to installing on-site wireless scanners capable of identifying the location of inventory items are put forward. The article also gives a classification of enterprise premises by functionality, namely warehouse, trade, production, administrative, sales and other areas, which makes it possible to record relocation of inventory items.

The paper deals with product labeling procedures and ways of incorporating radio identification chips into products either by manufacturers (packers) or inventory custodians following the arrival of products. The paper develops an algorithm of automated permanent inventory of assets, including a list of variable accounting information that can be recorded on RFID-chips. In addition, it becomes possible to identify employees who are responsible for storing and movement of inventory items for the purpose of compensating losses by employees involved in a shortfall.

The ways to improve methods for documenting and recording inventories in accounting are described. Inventory of assets carried out with the use of radio frequency identification allows enterprises to form electronic documents automatically and record the results of accounting inventory, reduce working time, increase economic efficiency, ensure the timeliness of control and minimize theft and fraud. Further research should be undertaken to examine methods for automation of inventory control over tangible assets under conditions of full robotization of processes in an entity.

Key words: inventory, accounting, automation, radio-frequency identification, tangible assets.

Iryna Nazarova

The essence of equity capital and its structuring for accounting needs

The paper considers various interpretations of the essence of equity capital. The concept of equity capital is viewed from the perspective of property as a venture capital, i. e. business property, which does not guarantee profits and dividends, and for which there is no clear schedule of returning funds to investors and shareholders.

The most common equity capital components in national and foreign practice are examined and compared. It is pointed out that the equity components mainly used in Ukraine are defined by the National Accounting Standards. Alternatively, the structure of equity capital components in foreign practice relies on the Conceptual Framework of Financial Statements, but it is further detailed by national standards of each country and depends on its policy and accounting characteristics. The structure of equity capital in foreign practice may be influenced by shareholders' decisions on the establishment of funds (additional capital), allocation of profits, transactions with treasury shares. It is made clear that in most countries equity capital components include joint stock capital, surplus reserves, and retained profit.

The article reviews the classification of equity capital, viewed as the key factor, and determines its influence on accounting principles and policies. It is concluded that in regulatory documents, there are no clear lines between types of equity capital.

The paper also discusses various views of scholars on equity capital arrangement. It is found that in research works, equity capital is classified based on various characteristics, but the majority of researchers consider sources of equity capital to be the main criterion. In addition, there is no consensus among academics as to what types of equity capital can be singled out by the criterion described.

Taking into consideration some proposals of scholars and foreign practice related to accounting of equity capital, the author develops a generalized structure of equity capital which is based on the sources of capital formation and includes: invested capital, particularly registered capital (statutory and mandatory share capital), corrective capital (unpaid and withdrawn capital), additional capital (capital received from investors for stock that exceeds the par value of the stock, i.e. additional equity capital); acquired capital (assets received for free, capital formed from revaluation of assets, other capital) and reinvested capital (retained profits (uncovered losses) and surplus reserves). The above equity structure can be used to prepare financial statements in order to increase its informational value.

Proposals are given on how to improve methods for accounting of equity capital, in particular accounting of additional capital invested by founders in the account entitled "Non-registered investments of owners".

Key words: equity capital, invested capital, acquired capital, additional capital invested by founders, registered capital, statutory capital, share capital, revaluation surplus fund, balance sheet.

Zenovii-Mykhailo Zadorozhnyi, Sofiia Kafka

The unique characteristics of the operating environment of oil and gas enterprises and their influence on accounting of non-current tangible assets

The article examines the unique characteristics of the operating environment of oil and gas enterprises, which affect accounting of non-current tangible assets and include the following: dependence on natural factors, heterogeneity of gas and oil drilling, development of mineral deposits, immobility of mining processes, duration of mining, technological cycles involving simultaneous mining of various minerals, lack of work-in-progress, sequence of operations and continuity of production processes, and others. In order to study the unique characteristics of the operational environment of oil and gas enterprises and determine their influence on practices and techniques for accounting of capital assets, methods of measuring interconnections, analysis and synthesis, logical approach are used. Special methods of statistical groups and generalization are applied to explore trends in the oil and gas industry as a whole, and separate sub-sectors of oil and gas extraction, drilling, and transportation.

It is found that in the oil and gas industry, the basic methods of measuring accrued depreciation on fixed assets, viewed as the main component of non-current tangible assets, are straightforward and industrial methods; depreciation is not calculated on buffer gas classified as a non-current asset; among non-current tangible assets there are no long-term biological assets; enterprises bear significant expenses related to repair and maintenance of main pipelines, etc.

The findings of the study are aimed at increasing the reliability, timeliness and analytics of accounting, which will enhance operational efficiency and management of non-current tangible assets in oil and gas enterprises.

Key words: oil and gas industry, non-current tangible assets, accounting, capital assets, depreciation, capital investment.