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PROFIT OF THE ENTERPRISE AND FEATURES OF ITS MANAGEMENT

Annotation. The company's profit is the main driving force of a market economy, a source of its own financial resources needed to ensure financial and economic activities.

Key words. income, expenses, financial results of business activity, accounting, financial reporting.

In modern conditions, the efficiency of financial and economic activities of enterprises is associated with the rational formation and allocation of resources in order to achieve high financial results. Given the various aspects of business planning, the most important process is profit management and management decisions on all major components of its formation, as well as their distribution and use.

The main category that reflects the positive financial result of economic activity of the enterprise, characterizes the efficiency of production and indicates the volume and quality of products is profit.

The concept and essence of the category of "profit" most scientists describe differently. Yes, I.A. The form, which is one of the first in Ukraine to use the concept of risk-return, defines profit as embodied in cash net income of the entrepreneur on invested capital, which characterizes his remuneration for the risk of doing business and is the difference between total income and total costs in the process this activity [1].

Brigham E.F. considers profit one of the main categories of commodity production. This is primarily a production category that characterizes the relations that develop in the process of social production [2].

A.M. Podderogin defines profit as the process of forming a newly created value, produced and sold, ready for distribution. Therefore, the importance of the process of selling the product at the expense of [7] is emphasized.

The great role of profit in the development of the enterprise and ensuring the interests of its owners, determines the need for effective management. Thus, profit management is the process of developing and making effective management decisions on all major aspects of its formation and distribution, and use in the enterprise to maximize the well-being of business owners in the current and future periods [1].

The main purpose of profit management is to determine the ways of its most effective formation and optimal distribution, aimed at ensuring the development of the enterprise and the growth of its market value.

Effective profit management of the enterprise is possible with an effective and well-formed profit management system. The enterprise profit management system is a set of interconnected elements, each of which has a functional purpose and the joint action of which, under certain conditions, ensures the achievement of the mechanism of profit of a given value.

Based on the main goal, the profit management system allows you to solve the following tasks:

- ensuring the maximization of profits, which is formed in accordance with the resource potential of the enterprise;
- ensuring optimal proportionality between the level of profit and the allowable level of risk;
- ensuring high quality of the received profit;
- ensuring the payment of the required level of income on invested capital to the owners of the enterprise;
- ensuring the formation of the appropriate amount of financial resources at the expense of profit in accordance with the objectives of the enterprise for the future;
- ensuring constant growth of the market value of the enterprise;
- ensuring the effectiveness of staff participation programs in terms of profit [8].

The process of profit management of the enterprise must take place in a certain order and ensure the implementation of the main purpose and main objectives of this management, as well as be an integral part of the entire enterprise management system.

The management of enterprise profits should be based on a mechanism that is part of the management system. The mechanism of profit management of the enterprise consists of elements that regulate the process of development and implementation of management decisions related to the formation, distribution and use of profits.

When forming the mechanism of enterprise profit management, it is important to determine the type of strategic orientation of profit, because the planning of profit in the short term and its direct use depends on the chosen strategy.

There are the following strategic types of profit orientation of enterprises:

1. The strategy of achieving a satisfactory profit is based on the company receiving such a level of profit sufficient to cover all costs and the development of the business entity in the long run. Its essence is to take into account the risk when planning. The strategy of ensuring a satisfactory profit involves consolidating the company's competitive position in the market, the possibility of investment and innovation, material motivation of staff and more.

2. The strategy of minimizing profits (stable profits) includes maximizing the minimum expected income along with minimizing the maximum losses and taking into account the actions of competitors. This strategy is becoming more widespread, as it ensures the profitable operation of the enterprise and its development, but does not require profit maximization.

3. Profit maximization involves obtaining the highest possible profit from domestic reserves, including consumers. The activities of most domestic enterprises are based on the strategy of profit maximization. The application of this strategy in the short term does not provide adequate economic growth in the long run. There is a risk of using high profits for current purposes, as a result of which the company loses an important source of funding for expanded reproduction, increasing the risk of bankruptcy due to the high level of risk to business [5].

Ensuring effective management of enterprise profits defines a number of requirements for this process:

- integration with the general management system of the enterprise;
- the complex nature of management decisions;

- high dynamics of management;
- a variety of approaches to the development of individual management decisions;
- focus on strategic goals of the company [4].

The characteristics of the process of profit management of enterprises in market relations include the following:

- improving the planning of the distribution of financial resources of enterprises;
- increasing the requirements for the organization of management of material resources of enterprises;
- strengthening the role of the regulatory function in the formation of credit policy of enterprises;
- effective control of financial results of enterprises [3].

Thus, the ultimate goal of any business is to maximize profits. Therefore, in strategic profit planning it is very important to take into account all factors and aspects of further development in order to fully and reasonably determine the amount of profit and ensure the level of profit. At the same time, when planning profits, there are a number of features, specific aspects that must be taken into account to financially ensure the continuous development of the enterprise. In an unstable economy, it is important for any enterprise to form an effective system of strategic planning and profit management.

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