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THEORETICAL FOUNDATIONS OF THE FINANCIAL AND CREDIT MECHANISM OF FUNCTIONING OF AGRICULTURAL ENTERPRISES

ТЕОРЕТИЧНІ ОСНОВИ ФІНАНСОВО-КРЕДИТНОГО МЕХАНІЗМУ ФУНКЦІОНУВАННЯ АГРАРНИХ ПІДПРИЄМСТВ

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The article is devoted to consideration of the main theoretical approaches to the concept of "financial and credit mechanism". In the article, the author applies a systematic approach to the interpretation of the financial and credit mechanism of enterprises. It involves consideration of this mechanism as a complex system in which various elements interact with each other and influence its functioning and results. The main idea of the systematic approach is that the understanding of the financial and credit mechanism cannot be separated from its components and interrelationships. Based on the systematic approach, the author systematizes the concept of financial mechanism, which can be interpreted from three main aspects: economic, managerial and systemic. It is noted that the financial mechanism of an enterprise consists of various elements that interact together to ensure financial stability and successful operation of the enterprise. The author's own vision of the definition of the financial and credit mechanism of enterprise is proposed, which is understood as a set of interrelated financial processes, instruments, methods and resources that an enterprise uses to ensure its activities, implement strategic goals and achieve financial stability, this definition will ensure the formation of its own vision of this financial and economic category. This mechanism covers all aspects of the financial activities of the enterprise, including the collection and use of financial resources, management of working and fixed capital, distribution of profits, optimization of tax payments, attraction of credits and investments, risk management The basic elements of the financial mechanism of the enterprise are determined, which include: financial planning, attraction of financial resources, management of working and fixed capital, financial control, risk management, financial reporting and financial analysis, p It is established that an effective management mechanism allows to fully realize the goals and objectives of the enterprise and contributes to the effective implementation of financial management functions.
Keywords: *financial mechanism, financial and credit mechanism, element, instrument, system, financial management, enterprise.*

Стаття присвячена розгляду основних теоретичних підходів до розкриття змісту поняття «фінансово – кредитний механізм». Запропоноване авторське бачення дефініції фінансово-кредитний механізм підприємства, що забезпечить формування власного бачення даної фінансово-економічної категорії. В статті автором застосовано системний підхід при трактуванні фінансово-кредитного механізму підприємств. Він передбачає розгляд цього механізму як комплексної системи, в якій різні елементи взаємодіють між собою і впливають на її функціонування та результати. Основна ідея системного підходу полягає в тому, що розуміння фінансово-кредитного механізму не може бути відокремлено від його компонентів та взаємозв'язків. Зазначено, що основними складовими елементами фінансового механізму підприємства є: фінансове планування, залучення фінансових ресурсів, управління оборотним та основним капіталом, фінансовий контроль, управління ризиками, фінансова звітність та фінансовий аналіз, податкове планування та управління прибутком.
Ключові слова: *фінансовий механізм, фінансово-кредитний механізм, елемент, інструмент, система, фінансовий менеджмент, підприємство.*

Relevance of the topic. The introduction of a financial and credit mechanism is an important condition for the sustainable development of enterprises. The financial and credit mechanism includes a variety of financial and credit instruments and methods that help enterprises to provide the necessary resources for production, expansion and introduction of new technologies.

In today's environment, it is advisable to pay attention to the formation of an effective financial and credit mechanism, as this is a complex task that requires careful analysis, planning and management, in particular, taking into account the specific features and needs of the enterprise, including agricultural ones.

In general, the effective functioning of the financial and credit mechanism will help to maintain the stability and sustainability of the enterprise, ensure its growth and competitiveness in the market. In other words, the effective implementation and further functioning of the financial and credit mechanism at the micro level can contribute to the sustainable development of enterprises, stimulate investment activity, promote innovation potential and increase the competitiveness of the state as a whole.

Analysis of recent research and publications. A significant contribution to solving the theoretical, methodological and practical problems of the system of management of financial activities of domestic enterprises was made by such well-known modern Ukrainian scientists as M.D. Bilyk, I.O. Blank, N.M. Davydenko, I.V. Zyatkovsky, G.A. Kramarenko, L.A. Kostyrko, A.M. Podderiogin, O.O. Tereshchenko, and others. However, the financial mechanism of Ukrainian enterprises does not have a sufficient level of perfection. At present, certain theoretical and practical aspects of its formation and functioning are insufficiently developed.

Research methods. The study uses the methods of analysis, synthesis, scientific generalization, and a systematic approach. The study of the conditions for the functioning of the mechanism of financial and credit support for the development of agricultural enterprises was carried out on the basis of retrospective data analysis and trend analysis.

Objective. In order to ensure adaptation of agricultural enterprises to modern conditions and effective management of enterprise finances, the article investigates the essence of the financial and credit mechanism and substantiates its tasks.

The main research material. The systems approach is an important concept in the interpretation of the financial and credit mechanism of enterprises. It involves considering this mechanism as a complex system in which various elements interact with each other and influence its functioning and results. The main idea of the systemic approach is that the understanding of the financial and credit mechanism cannot be separated from its components and interrelationships.

Analyzing the concept of financial and credit mechanism, we will highlight two aspects of its interpretation through finance and credit. The categories of finance and credit are extremely important for economic practice, especially in the agricultural sector. They are determined by various aspects of financial activity and provide the necessary infrastructure for the efficient functioning of enterprises.

These categories are interconnected and affect various aspects of the business operations of agricultural enterprises. Effective management of these categories helps to ensure the financial sustainability, competitiveness and sustainable development of enterprises in the agricultural sector.

In general, the concept of a financial mechanism can be interpreted from three main aspects, each of which reflects a certain aspect of its essence:

Economic aspect. From this perspective, the financial mechanism is seen as an instrument that ensures coordination of financial relations in the economic system. This includes the allocation, redistribution and use of monetary and financial resources to achieve efficiency and sustainability in the economy.

The well-known Ukrainian scientist Yuriy S.I. understands the financial mechanism as a set of financial forms, methods and levers that ensure the process of social reproduction through the formation and use of income and funds of funds, which are possible due to the distribution function of finance [1, p. 20].

According to Moskalenko V.P. and Shipunov O.V., the financial mechanism is a component of the economic mechanism, a set of all elements that affect the process of production and economic activity of the enterprise [2, p. 25].

Sokyrynska I.G. believes that it is "a set of forms and methods of external and internal influence on the financial and economic activities of an economic entity in order to improve its final financial results on the basis of action and in direct connection with the directive financial mechanism" [3, p. 91].

Management aspect. From this perspective, the financial mechanism is seen as a system of methods, tools and procedures used to realize the financial goals of an organization or enterprise. It includes planning, control, risk assessment, resource management and other aspects to achieve financial success.

In particular, V.M. Oparin presents the financial mechanism as "a set of financial methods and forms, instruments and levers of influence on the socio-economic development of society" [4, p. 55]. In this definition, he combines in the financial mechanism its ability to organize finances and tools for influencing activities.

Financial mechanism as a management system is defined by A.M. Podderyogin: "The financial mechanism of an enterprise is a financial management system designed to organize the interaction of financial relations and cash funds in order to optimize their impact on the final results of its activities" [5, p. 15].

Also, G.A. Kramarenko defines financial mechanism as a system of managing financial relations with the help of financial methods. In addition, she notes that "financial management of enterprises is carried out by means of a financial mechanism, which includes two subsystems: the managing and the managed. The managing subsystem (subject of management) includes the financial service of the enterprise and its subdivisions. The managed subsystem (object of management) consists of financial relations, sources of financial resources, and cash turnover" [6]. M.M. Artus identifies the financial mechanism with the system of financial management of economic activity. In particular, he notes that "the financial mechanism is financial management, that is, a financial management scheme that includes mechanisms for managing financial relations and cash funds" [7, p. 55].

Financial mechanism as a means of managing financial resources and influencing economic activity is defined by I.V. Zyatkovsky. Zyatkovsky, he understands the financial mechanism as a set of forms and methods of formation and use of financial resources to ensure the financial activity of the enterprise [8, p. 20].

A similar opinion is held by O. Gudz, who considers the financial mechanism as "a set of forms and methods of external and internal influences on the formation, use and accumulation of financial resources in order to ensure their economic activity of the enterprise and increase the efficiency and profitability of production" [9, p. 11].

G. Kireitsev, in turn, sees the financial mechanism as "a set of methods for realizing economic interests through financial influence on the socio-economic development of the enterprise" [10, p. 20].

Systemic aspect. From this perspective, the financial mechanism is viewed as a complex system that includes various elements, processes, and relationships that interact with each other and affect the functioning of the system as a whole. This concept reflects an integrated approach to understanding the interaction of different aspects of financial activities.

O. Vasylyk believes that the financial mechanism is "a set of forms and methods of creating and using funds of financial resources to provide various state structures, economic entities and the population" [11, p. 104].

According to O. Kyrylenko, the financial mechanism is "a set of specific forms and methods of ensuring distributive and redistributive relations, income generation, and funds of money" [13, p. 34].

V. Fedosov interprets the financial mechanism as "a set of economic, organizational and legal forms and methods of managing the financial activities of the state, which function in the process of formation, distribution and use of targeted centralized and decentralized funds of monetary resources in order to meet the needs of society" [15, p. 68].

A systematic approach to the interpretation of the financial and credit mechanism of enterprises examines not only individual aspects, such as borrowed resources, loan portfolio, financial plan, etc., but also their interaction and impact on the overall performance of the enterprise. A systematic approach allows to better understand the interrelationships between financial processes, analyze the impact of changes in one component on the rest of the system, and develop more effective strategies for managing finance and credit at the enterprise.

The financial mechanism and the economic mechanism are interconnected and interdependent [18]. In order to achieve optimal results in the economy, they must be considered together and developed using a systematic approach. For example, it is impossible to improve individual elements of the financial mechanism without taking into account the pricing mechanism. The pricing mechanism plays an important role in the financial mechanism. Prices affect the profitability of enterprises, consumer activity, inflation, and many other aspects. Taking pricing into account when improving the financial mechanism is important because changes in prices can have a vulnerable impact on sources of income, asset values, and overall financial stability. Changes in the organizational structure of the economic mechanism inevitably lead to quantitative and qualitative changes in the financial mechanism. Changes in the economic mechanism, such as restructuring of companies, mergers and acquisitions, can significantly change the sources of income, distribution of financial resources, risks and opportunities. This may require a review of financial strategies, costs and investments.

The financial mechanism includes not only objective economic factors, such as taxes, budget, loans, and investments, but also subjective factors, such as the psychological state of market participants, their expectations, and decisions. This can lead to unexpected changes and fluctuations in the financial mechanism, which cannot always be predicted by objective indicators.

Differences in the use of financial instruments may arise depending on the context. Different economic systems, countries or industries may have different approaches to the use of financial instruments.

These aspects emphasize that the financial mechanism is more complex than just a set of objective factors. It also takes into account subjectivity, human decisions and actions that can affect outcomes. This emphasizes the need for a flexible approach to managing and responding to changes in the economy, and the importance of analyzing a wider range of factors when formulating financial management strategies.

The effectiveness of the financial mechanism is the result of the interaction of various constituent elements and consideration of the needs and interests of society. First of all, the coordinated action of the elements is necessary: the financial mechanism includes such elements as taxation, budget, monetary policy, financial market, investment activity, and others. Efficiency is achieved when these elements interact in a coordinated manner aimed at achieving the overall goals of economic development.

Second, the financial mechanism should take into account the needs and interests of society. This may mean ensuring economic stability, social protection, infrastructure development, support for entrepreneurship, etc.

Third, the effectiveness of the financial mechanism requires an appropriate legal and regulatory framework. This means clear rules and regulations for the use of financial resources, taxation, budgeting, financial market functioning, and other aspects.

Fourth, an effective financial mechanism requires strategic planning. Government agencies, businesses, and other economic actors should develop long-term strategies that meet the requirements of the development of society and the economy.

In general, the effectiveness of the financial mechanism requires harmonious interaction between various components, adequate consideration of the needs and interests of society, as well as the availability of an appropriate legal framework and strategic planning.

In order to achieve more rational and efficient work at the enterprise in the field of economic and financial issues, it is advisable to create a single functional system, namely, a financial and economic mechanism, – V. P. Moskalenko agrees with this proposal, insisting on the organic relationship between economic and financial mechanisms [2].

The financial mechanism includes the following basic elements: financial methods; financial levers; financial instruments; regulatory, legal, informational and organizational support [17].

1. Financial methods: These are the strategies, approaches, and methods used by economic agents (both public and private) to achieve their financial goals. Financial techniques can include budgeting, risk management, tax optimization, cost management, record keeping, and financial data analysis.

2. Financial leverage: These are tools that can be used to influence financial situations or decisions. These include monetary policy (changes in interest rates, the amount of money in circulation), fiscal policy (changes in taxation and government spending), credit conditions, government guarantees, etc.

3. Financial instruments: These are the specific vehicles used to conduct financial transactions. This may include stocks, bonds, derivatives, banking products, mortgages, investment funds, etc.

4. Regulatory and legal support: This is the set of laws, rules, regulations, and policies that govern financial activities. This may include tax laws, regulatory requirements for banks, accounting and reporting rules, financial reporting regulations, etc.

5. Information support: This is the exchange of information and data that helps to make financial decisions. This includes financial reporting, market analysis, economic analysis, forecasting, etc.

6. Organizational support: These are the internal processes, structures, and systems used to accomplish financial tasks. This may include the enterprise's organizational structure, human resources, decision-making and control processes.

Together, these elements create a financial mechanism that helps to effectively manage financial resources and achieve strategic goals.

Conclusion. So, summarizing the above, in our opinion, the financial and credit mechanism of an enterprise is a complex of interrelated financial processes, instruments, methods and resources that an enterprise uses to ensure its activities, implement strategic goals and achieve financial stability. This mechanism covers all aspects of the company's financial activities, including the collection and use of financial resources, management of working capital and fixed assets, distribution of profits, optimization of tax payments, attraction of loans and investments, risk management, etc. The financial mechanism of an enterprise consists of various elements that interact together to ensure the financial stability and successful operation of the enterprise. The main components of the financial mechanism of an enterprise are: financial planning, attraction of financial resources, management of working capital and fixed assets, financial control, risk management, financial reporting and financial analysis, tax planning and profit management.

Based on all of the above, we can say that an effective management mechanism allows to fully realize the goals and objectives of the enterprise and contributes to the effective implementation of financial management functions.

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