

THE ANALYSIS OF AGRARIAN ENTERPRISES' FINANCIAL CONDITION OF DIFFERENT ORGANIZATIONAL-LEGAL FORMS AND WAYS OF ITS IMPROVEMENT

Introduction to the topic. Modern processes of globalization bring forward new requirements for the development of the domestic agrarian sector and determine the need in creation highly effective, competitive agrarian enterprise, able to maintain food security. The starting point in building an effective agricultural enterprise with a strong market position is providing its firm and sound financial position. That's why it is urgently to perform a qualitative analysis of the financial condition of domestic agrarian enterprises with a comprehensive assessment of liquidity, solvency, financial firmness, profitability and factors which determine the level change of these indices, as it will allow to reveal the vulnerabilities of the economic entities' financial activities and to justify the main components of its stabilization's mechanism.

Analysis of recent research and publications. The works of such scientists as: A.V. Burkovska, A.P. Doroshenko, A.R. Zhuravska, T.V. Kalashnikova, V.M. Koshelnyk, T.V. Mayorova, O.O. Oliinyk, L.M. Oliinyk, L.V. Poberezhna, O.M. Rudnytska, V.R. Khabirov, V.O. Yurkov etc.. are devoted to the research of financial condition of agrarian enterprises. However, in terms of rapid and dynamic economic development, the issues of providing a firm financial condition of agricultural economic entities, especially in the context of various forms of ownership, don't loose its topicality and need further study.

Introduction to the objective. The goal of this paper is an objective assessment of the financial condition of agrarian commodity producers of different organizational-legal forms and determination the ways of its improvement.

Problems under consideration. Traditionally, diagnostics of the financial condition of agrarian enterprises in Ukraine is held on the basis of comparison of practical and normative values of a wide range of financial ratios [3, p. 359]. The system of indices the evaluation of financial-economic activity of an enterprise can be divided into 4 groups, describing its different aspects: indices of financial firmness, liquidity, business activity and profitability. Each group includes a large number of ratios, but while performing the financial analysis of agrarian enterprises, we were examining only the major ones, which are presented in figure 1.

Figure 1

The major indices of assessment the enterprises' financial condition

Assessment's indices	Normative value
Financial firmness indices	
Financial self-support ratio	>0,5
Financial stability ratio	>1
Financial firmness ratio	>0,75
Ratio of manoeuvring an equity	0,3-05
Liquidity indices	
Discharge ratio	>1,1
Ratio of providing own current assets	>0,1
Business activity indices	
Ratio of assets in circulation	Growth
Accounts payable turnover ratio	Growth
Equity turnover ratio	Growth
Profitability indices	
Profitability of assets	>0,1
Profitability of activity	>0 , growth
Profitability of an equity	>0,2
Profitability of net capital	>0 , growth
Profitability of the fixed assets	>0 , growth
Profitability of current assets	>0 , growth

Source: [4;6].

The concept of financial firmness can be defined as a state and the degree of financial resources' use at the enterprise where it can freely dispose its funds, it can provide constant process of production and sale of product and is able to cover the expenses for expansion and modernization of production [5 p.266]. The research of indices the enterprise's financial firmness aims at objective analysis of size, structures of assets and liabilities and on this basis a determination a size of its financial stability and self-support and also correspondences of enterprise's financial –economic activity to the objectives of its authorized activity.

Assessment of liquidity describes the possibility of an enterprise to settle its obligations by means of property which is on the balance sheet in any time. Let's make an analysis of mentioned indices of agrarian

enterprises concerning the materials of Chernivtsi region.

Figure 2

Partial indices of financial firmness and liquidity of agrarian enterprises of Chernivtsi region in 2005-2012.

Index	Years							
	2005	2006	2007	2008	2009	2010	2011	2012
1	2	3	4	5	6	7	8	9
Farms								
Financial self-support ratio	0,51	0,66	-	-	0,52	0,56	0,60	0,58
Financial stability ratio	1,05	1,90	-	-	1,09	1,26	2,23	2,01
Financial firmness ratio	0,56	0,66	-	-	0,52	0,56	0,63	0,59
The ratio of manoeuvring an equity	0,30	0,49	-	-	0,13	0,00	0,20	0,19
Discharge ratio	1,35	1,95	-	-	1,14	1,00	1,49	1,40
The ratio of providing own current assets	0,26	0,49	-	-	0,12	0,00	0,33	0,28
Private enterprises								
Financial self-support ratio	0,63	0,53	0,59	0,58	0,45	0,67	0,52	0,58
Financial stability ratio	2,03	1,34	1,89	1,87	1,18	3,10	1,55	1,98
Financial firmness ratio	0,66	0,63	0,66	0,61	0,64	0,77	0,67	0,7
The ratio of manoeuvring an equity	0,32	0,33	0,30	0,25	0,52	0,57	0,32	0,28
Discharge ratio	1,72	1,59	1,74	1,53	2,21	4,24	1,85	1,92
The ratio of providing own current assets	0,42	0,37	0,42	0,35	0,55	0,76	0,46	0,48
Collective enterprises								
Financial self-support ratio	0,71	0,61	0,55	0,17	0,26	0,81	0,85	0,85
Financial stability ratio	2,69	1,75	1,39	0,28	0,50	6,02	5,76	5,8
Financial firmness ratio	0,71	0,61	0,55	0,17	0,26	0,81	0,85	0,85
The ratio of manoeuvring an equity	-0,09	-0,20	-0,35	-1,82	-0,34	0,73	0,88	0,9
Discharge ratio	0,76	0,65	0,52	0,49	0,83	5,37	6,06	6,24
The ratio of providing own current assets	-0,31	-0,53	-0,93	-1,03	-0,21	0,81	0,83	0,84
State enterprises								
Financial self-support ratio	0,57	0,54	0,52	0,48	0,49	0,48	0,51	0,51
Financial stability ratio	1,37	1,21	1,32	1,56	1,63	1,40	1,84	1,69
Financial firmness ratio	0,58	0,58	0,55	0,49	0,49	0,48	0,51	0,51
The ratio of manoeuvring an equity	-0,05	-0,09	-0,17	-0,14	-0,15	-0,30	-0,06	-0,09
Discharge ratio	0,93	0,88	0,76	0,78	0,75	0,57	0,89	0,85
The ratio of providing own current assets	-0,07	-0,13	-0,31	-0,28	-0,34	-0,74	-0,13	-0,18
Utility companies								
Financial self-support ratio	0,86	0,79	0,95	0,58	0,57	0,70	0,67	0,83
Financial stability ratio	6,04	3,77	18,68	1,40	1,32	2,30	2,07	4,9
Financial firmness ratio	0,86	0,79	0,95	0,58	0,57	0,70	0,67	0,83
The ratio of manoeuvring an equity	-0,03	-0,25	0,04	-0,25	-0,48	-0,40	-0,45	-0,19
Discharge ratio	0,83	0,05	1,66	0,65	0,37	0,08	0,07	0,05
The ratio of providing own current assets	-0,21	-	0,40	-0,55	-1,70	-	-	-
		21,03				10,96	12,46	18,69
Subsidiary companies								
Financial self-support ratio	0,40	0,70	-0,15	-0,01	0,04	0,58	0,75	0,83
Financial stability ratio	0,68	2,29	-0,13	-0,01	0,04	1,40	2,91	4,89
Financial firmness ratio	0,41	0,70	-0,04	0,06	0,09	0,60	0,77	0,83
The ratio of manoeuvring an equity	0,30	0,45	4,03	20,46	-7,11	0,49	0,48	0,67
Discharge ratio	1,21	2,06	0,43	0,69	0,67	1,72	2,46	4,27
The ratio of providing own current assets	0,17	0,51	-1,35	-0,44	-0,49	0,42	0,59	0,77
Joint-stock companies								
Financial self-support ratio	0,26	0,18	0,09	0,21	0,34	0,54	0,92	0,42
Financial stability ratio	0,40	0,21	0,11	0,27	0,54	1,17	9,52	6,67
Financial firmness ratio	0,71	0,62	0,43	0,22	0,36	0,75	0,98	0,42
The ratio of manoeuvring an equity	1,34	1,33	1,45	0,43	0,42	-0,13	0,77	0,81
Discharge ratio	2,93	1,63	1,26	1,12	1,24	0,74	21,28	6,51

The ratio of providing own current assets	0,66	0,39	0,21	0,11	0,19	-0,35	0,95	0,85
Limited liability companies								
Financial self-support ratio	0,58	0,60	0,56	0,41	0,41	0,41	0,36	0,29
Financial stability ratio	1,40	1,50	1,32	0,69	0,73	0,71	0,56	0,42
Financial firmness ratio	0,65	0,67	0,62	0,62	0,65	0,58	0,48	0,41
The ratio of manoeuvring an equity	0,16	0,22	0,31	0,68	0,74	0,69	0,70	0,67
Discharge ratio	1,27	1,41	1,47	1,74	1,92	1,70	1,48	1,34
The ratio of providing own current assets	0,21	0,29	0,32	0,43	0,48	0,41	0,32	0,25
Co-operatives								
Financial self-support ratio	0,66	0,64	0,67	0,64	0,63	0,65	0,78	0,81
Financial stability ratio	2,00	1,83	2,05	1,82	1,77	1,89	3,92	4,62
Financial firmness ratio	0,75	0,73	0,72	0,71	0,71	0,69	0,79	0,82
The ratio of manoeuvring an equity	0,21	0,15	0,21	0,29	0,42	0,40	0,35	0,38
Discharge ratio	1,56	1,38	1,51	1,67	1,96	1,87	2,45	2,88
The ratio of providing own current assets	0,36	0,27	0,34	0,40	0,49	0,47	0,59	0,65
Average indices industry								
Financial self-support ratio	0,58	0,58	0,42	0,34	0,41	0,60	0,66	0,63
Financial stability ratio	1,96	1,76	2,96	0,88	0,98	2,14	3,37	3,66
Financial firmness ratio	0,65	0,67	0,49	0,38	0,48	0,66	0,71	0,66
The ratio of manoeuvring an equity capital	0,27	0,27	0,65	2,21	-0,65	0,23	0,35	0,40
Discharge ratio	1,38	1,26	1,13	1,04	1,24	2,45	4,80	3,43
The ratio of providing own current assets	0,16	-2,15	-0,1	-0,11	-0,10	-1,02	-0,94	-1,64

* Source: calculated by the author according to the data of the Main administration of statistics in Chernivtsi region.

According to the calculations shown in figure 2, among all agricultural enterprises only in limited liability companies and joint stock companies in 2012 the actual value of a ratio was lower than a normative level. However, in limited liability companies, this situation has been happened for 5 last years, and in joint-stock companies the self-support ratio was higher for 0.5 only in 2010 and 2011. It should be noted that in private, collective, state enterprises and in subsidiary companies exists a tendency of decrease of the given index in 2008-2009, which is caused by the difficult economic situation in the country and in the world in this period.

In limited liability companies financial stability decreased every year. Also it was lower than a normative level in joint-stock companies but only in the period from 2005 to 2009. As for farms, private, state, utility companies and co-operatives, financial stability ratio during the research period didn't come down lower than its normative level.

Financial firmness, which shows enterprises' security with equity and long-term loans from 2006 to 2009 in all economic entities except utility companies, was lower than normative level. In 2010-2012, there was some growth in private, collective, utility companies, subsidiary companies and temporary increase with subsequent decrease in joint stock companies.

The performed researches also show that the majority of farms' and state enterprises' funds are capitalized, that is invested in fixed assets. Private enterprises also do not have high level of capital mobility. As short-term loans in utility companies over the researched period of time were higher than the net current assets, the ratio of maneuverability of equity has always had a negative value. It means that almost all current assets of the given economic entities are financed by borrowing sources. In collective enterprises, this index shown growth from 2005 to 2012, but it happened due to the reduction of non-current assets, that's why we can not draw conclusions about the increase of capital mobility of mentioned economic entities. Joint-stock companies and subsidiary show considerable fluctuations of pointed ratio, however in 2011-2012 there is a tendency for its increase which is a positive phenomenon.

In limited liability companies the maneuverability equity ratio for the last 9 years has been increased by more than 80 %. While the growth of this index is a positive phenomenon, but keeping the current tendency will lead to disproportion and irrationality of fund's distribution between fixed and current assets.

As for liquidity of agricultural enterprises, during the researched period the discharge ratio has always been lower than a normative value only in state enterprises and utility companies. These enterprises show negative index value of providing own current assets, and it means that their current liabilities can not be covered at the expense of current assets. Collective enterprises, subsidiary companies and joint stock companies, were the most liquid according to the researched indices.

Indices of business activity enable to assess the efficiency of enterprise's funds use. This group includes the indices of circulation, which are very important for assessment the financial condition of an enterprise, as the speed of funds' circulation, that is the speed of their transformation into money terms, directly influence upon the solvency of the company.

Figure 3

Partial indices of business activity of agrarian enterprises of Chernivtsi region in 2005-2012.

Index	Years							
	2005	2006	2007	2008	2009	2010	2011	2012
Farms								
Ratio of assets in circulation	0,66	1,14	-	-	2,82	1,42	0,31	0,48
Accounts payable turnover ratio	1,49	3,05	-	-	5,88	3,11	0,81	1,73
Equity turnover ratio	1,20	1,82	-	-	5,41	2,60	0,55	0,82
Private enterprises								
Ratio of assets in circulation	0,58	0,43	0,49	0,50	0,43	0,96	0,40	0,54
Accounts payable turnover ratio	1,97	1,21	1,39	1,61	1,22	3,55	1,45	1,71
Equity turnover ratio	0,89	0,74	0,87	0,86	0,84	1,59	0,66	0,98
Collective enterprises								
Ratio of assets in circulation	0,24	0,10	0,33	0,21	0,25	1,20	0,87	0,17
Accounts payable turnover ratio	1,10	0,34	0,89	0,44	0,44	5,00	5,94	1,15
Equity turnover ratio	0,32	0,14	0,56	0,50	1,12	1,83	1,02	0,20
State enterprises								
Ratio of assets in circulation	1,55	2,97	0,71	1,48	1,27	1,45	2,03	0,19
Accounts payable turnover ratio	3,86	6,77	1,65	4,29	4,20	4,52	6,60	0,66
Equity turnover ratio	2,61	5,50	1,34	2,96	2,63	3,01	4,11	0,37
Utility companies								
Ratio of assets in circulation	0,25	0,10	0,18	0,70	1,73	1,44	1,77	1,16
Accounts payable turnover ratio	1,68	0,59	1,14	5,84	4,06	4,00	5,64	4,69
Equity turnover ratio	0,29	0,12	0,22	0,79	3,01	2,26	2,59	1,54
Subsidiary companies								
Ratio of assets in circulation	0,79	0,74	0,60	0,50	0,52	0,56	0,90	0,83
Accounts payable turnover ratio	1,06	1,74	0,78	0,46	0,53	0,84	3,01	4,06
Equity turnover ratio	3,06	1,28	2,67	-6,12	40,90	1,71	1,26	1,04
Joint-stock companies								
Ratio of assets in circulation	0,17	0,10	0,31	0,27	0,23	0,11	1,27	0,50
Accounts payable turnover ratio	0,34	0,14	0,37	0,34	0,33	0,19	9,76	7,16
Equity turnover ratio	0,38	0,50	2,45	1,50	0,88	0,31	1,44	0,96
Limited liability companies								
Ratio of assets in circulation	0,38	0,44	0,47	0,67	0,61	0,55	0,65	0,41
Accounts payable turnover ratio	0,91	1,09	1,14	1,24	1,07	0,95	1,06	0,61
Equity turnover ratio	0,66	0,75	0,81	1,46	1,49	1,33	1,76	1,27
Co-operatives								
Ratio of assets in circulation	0,48	0,40	0,59	0,60	0,69	0,74	0,73	0,49
Accounts payable turnover ratio	1,51	1,17	1,75	1,76	1,95	2,12	2,91	2,54
Equity turnover ratio	0,70	0,61	0,91	0,92	1,09	1,16	0,99	0,61
Average indices industry								
Ratio of assets in circulation	0,57	0,71	0,41	0,55	0,95	0,94	0,99	0,53
Accounts payable turnover ratio	1,55	1,79	1,01	1,78	2,19	2,70	4,13	2,70
Equity turnover ratio	1,12	1,27	1,09	0,32	1,83	1,76	1,60	0,87

* Source: calculated by the author according to the data of the Main administration of statistics in Chernivtsi region.

The highest business activity during the researched period is observed in utility companies. This is due to the fact that many of them are not specialized in the manufacture of products, they are specialized in services' providing, and they do not require great quantity of objects and means of labour. Subsidiary companies have rather high indices of business activity, state enterprises and farms also had rather good business activity but they have been decreased substantially in the last years. Joint-stock companies in 2011-2012 have been characterized by the biggest circulation of accounts payable, which shows the improvement of its solvency, and limited liability companies have been characterized by high equity.

In terms of agricultural production estimating the indices of circulation the property and capital, it should be taken into consideration that a part of agrarian enterprises deliberately delay the sale of finished

products aiming at higher market prices, which automatically increases the return on invested capital in production.

In this connection, we think that a system of indices of business activity of agricultural enterprises should be complemented by the indices of economic activity's efficiency, which will give an opportunity to determine the tendencies of their development more objectively [2, p.113].

The main index of the efficiency of any financial transaction is its profitability. Profitability – is the result of a number of factors involved. If previous indices characterize the enterprise's activity from one hand, then the indices of profitability give a general picture of work efficiency as a whole [7]. So far as the enterprise's activity is determined by a complex of processes which are connected with the circulation of capital, a profitability of industrial-economic activity is characterized by a complex of appropriate ratios, which are presented in figure 4.

Figure 4

Partial indices of profitability of agrarian enterprises of Chernivtsi region in 2005-2012

Index	Years							
	2005	2006	2007	2008	2009	2010	2011	2012
Farms								
Profitability of assets	0,06	0,21	-	-	0,03	0,05	0,09	0,13
Profitability of an activity	0,09	0,18	-	-	0,01	0,03	0,30	0,27
Profitability of equity	0,11	0,34	-	-	0,05	0,09	0,17	0,22
Profitability of fixed assets	0,11	0,52	-	-	0,03	0,08	0,19	0,43
Profitability of current assets	0,11	0,32	-	-	0,03	0,10	0,23	0,35
Private enterprises								
Profitability of assets	0,07	0,05	0,10	0,10	0,01	0,24	0,08	0,10
Profitability of an activity	0,12	0,11	0,19	0,20	0,03	0,25	0,19	0,19
Profitability of equity	0,11	0,08	0,17	0,18	0,03	0,39	0,13	0,18
Profitability of fixed assets	0,14	0,10	0,20	0,20	0,03	0,49	0,17	0,22
Profitability of current assets	0,15	0,10	0,21	0,24	0,03	0,50	0,18	0,29
Collective enterprises								
Profitability of assets	-0,06	0,02	0,03	-0,08	0,07	1,04	0,75	0,04
Profitability of an activity	-0,26	0,23	0,09	-0,40	0,28	0,87	0,87	0,26
Profitability of equity	-0,08	0,03	0,05	-0,20	0,32	1,59	0,89	0,05
Profitability of fixed assets	-0,05	0,02	0,03	-0,10	0,11	2,39	4,40	0,32
Profitability of current assets	-0,32	0,11	0,14	-0,35	0,19	1,63	0,86	0,05
State enterprises								
Profitability of assets	-0,01	0,00	0,01	0,00	0,00	0,01	0,09	0,04
Profitability of an activity	0,00	0,00	0,01	0,00	0,00	0,01	0,04	0,23
Profitability of equity	-0,01	0,00	0,01	0,00	0,01	0,02	0,18	0,09
Profitability of fixed assets	-0,01	0,00	0,01	0,00	0,00	0,01	0,07	0,04
Profitability of current assets	-0,02	0,00	0,02	0,00	0,02	0,05	0,40	0,18
Utility companies								
Profitability of assets	-0,11	-0,08	-0,34	-0,13	-0,15	-0,20	-0,02	-0,01
Profitability of an activity	-0,46	-0,75	-1,85	-0,18	-0,09	-0,14	-0,01	-0,01
Profitability of equity	-0,13	-0,09	-0,41	-0,15	-0,26	-0,31	-0,02	-0,02
Profitability of fixed assets	-0,10	-0,06	-0,23	-0,06	-0,05	-0,07	0,00	0,00
Profitability of current assets	-1,18	-1,09	-10,61	-1,08	-0,76	-2,30	-0,65	-0,86
Subsidiary companies								
Profitability of assets	0,12	0,17	0,14	0,27	0,04	0,02	0,04	0,24
Profitability of an activity	0,15	0,23	0,24	0,55	0,07	0,04	0,05	0,28
Profitability of equity	0,46	0,29	0,63	-3,36	3,00	0,07	0,06	0,29
Profitability of fixed assets	0,36	0,40	0,23	0,45	0,08	0,05	0,13	0,77
Profitability of current assets	0,16	0,26	0,28	0,50	0,06	0,03	0,07	0,35
Joint-stock companies								
Profitability of assets	-0,03	-0,01	-0,02	0,06	0,02	-0,02	0,39	0,16
Profitability of an activity	-0,18	-0,06	-0,06	0,23	0,10	-0,16	0,31	0,33
Profitability of equity	-0,07	-0,03	-0,15	0,35	0,08	-0,05	0,44	0,32
Profitability of fixed assets	-0,04	-0,01	-0,05	0,29	0,10	-0,05	0,60	0,77
Profitability of current assets	-0,07	-0,01	-0,03	0,08	0,03	-0,03	0,56	0,35
Limited liability companies								
Profitability of assets	0,06	0,04	0,07	0,09	0,05	0,12	0,07	0,02
Profitability of an activity	0,15	0,09	0,15	0,14	0,08	0,23	0,10	0,04

Profitability of equity	0,10	0,07	0,13	0,20	0,12	0,30	0,18	0,05
Profitability of fixed assets	0,06	0,05	0,10	0,18	0,11	0,31	0,24	0,07
Profitability of current assets	0,13	0,09	0,15	0,15	0,08	0,19	0,09	0,02
Co-operatives								
Profitability of assets	0,06	0,00	0,06	0,11	0,01	0,00	0,09	0,07
Profitability of an activity	0,12	0,00	0,11	0,18	0,02	0,01	0,12	0,15
Profitability of equity	0,08	0,00	0,10	0,16	0,02	0,01	0,12	0,09
Profitability of fixed assets	0,05	0,00	0,07	0,12	0,02	0,01	0,13	0,11
Profitability of current assets	0,15	0,00	0,17	0,24	0,02	0,01	0,18	0,16
Average indices industry								
Profitability of assets	0,02	0,05	0,01	0,05	0,01	0,14	0,18	0,09
Profitability of an activity	-0,03	0,00	-0,14	0,09	0,06	0,13	0,22	0,19
Profitability of equity	0,06	0,08	0,07	-0,35	0,37	0,23	0,24	0,14
Profitability of net assets	0,05	0,07	0,05	0,26	0,06	0,19	0,20	0,14
Profitability of fixed assets	0,06	0,11	0,04	0,14	0,05	0,36	0,66	0,30
Profitability of current assets	-0,10	-0,02	-1,07	-0,02	-0,03	0,02	0,21	0,10

* Source: calculated by the author according to the data of the Main administration of statistics in Chernivtsi region.

After the crisis of 2008, the indices of profitability in farms were too low, but they were increasing gradually and in 2012 they exceeded average indices industry. If to compare the farms with private enterprises, despite the fact that here are the similar tendencies of indices' growth which have been observed since 2009, though farms conceded to them in terms of profitability only in 2010, while other times they were working more profitably.

Collective enterprises are characterized by significant fluctuations in profitability indices – from their tiny and sometimes even negative values in 2005-2008, to the highest in the region among agricultural enterprises in 2010-2011. However, in 2012, decline of profitability occurred again and it caused the severe reduction of profitability of assets, equity, net and current assets.

State enterprises and utility companies show the worst indices in the efficiency of their activity in the region. Moreover, utility companies were working unprofitably during all researched period, and a situation with profitability of current assets is especially critical. In 2011-2012 the profitability of the given economic entities was increased a little, especially the indices of state enterprises have been increased substantially, however they are still remaining on a low level.

The indices of subsidiary companies profitability experienced significant fluctuations during 2005-2012. The most unfavorable for their activity were 2010-2011, though during this period the enterprises of most other organizational-legal forms were working with maximum efficiency.

Joint stock companies show negative values of all profitability indices in 2005-2007 and 2010. In 2011 the researched indices increased significantly, and in 2012 the profitability of joint-stock companies was the highest among all agricultural units in the region by all parameters.

During 2005-2009, the profitability indices of limited liability companies were on the middle level, in comparison to other companies in the region, slightly exceeding average indices industry. However, since 2010 there has been their decline, indicating a deterioration of the effectiveness in their functioning. In cooperatives there is a tendency for increase the profitability of their activity. In particular, its growth is observed in 2011-2012, but these indices are still at lower level than in joint-stock companies, subsidiary companies and collective enterprises in the same period.

Thus, on the basis of performed researches of financial firmness, liquidity, business activity and profitability's indices we can form an overall assessment of the financial condition of agrarian enterprises of Chernivtsi region of different organizational-legal forms. It is presented in figure 5.

Figure 5

Generalized characteristics of financial condition of agrarian enterprises of Chernivtsi region of different organizational-legal forms

Organizational-legal form of enterprises	Generalized characteristics of enterprise's financial condition
Farms	<p>These farms are self-support financially, though they are characterized by the lack of financial stability. Borrowings in circulation are being borrowed moderately, allowing to increase production without endangering for the financial autonomy of enterprises. The bulk of the costs is capitalized (invested in fixed assets).</p> <p>Companies are provided with own current assets, general liquidity is within the required level. Circulation ratios are lower than average indices industry, indicating a need for improvement the business activity. The activity of farms is profitable. In particular, in 2012, according to the profitability indices they occupied the 3rd place among other enterprises of region. The increase of profitability for the last 2 years shows a significant</p>

	increase of activity efficiency.
Private enterprises	<p>Enterprises are financially self-support and stable. Financial firmness is below the normative level, but there is a positive tendency for its growth. More than a half of the enterprises' assets are provided with their own sources. Mobility of equity is low. Current assets are provided with their own floating capital. Liquidity of the company is within a norm.</p> <p>Economic activity indices correspond to their average index industry, but there is an increase of accounts payable circulation which leads to increase the efficiency of the assets' use.</p> <p>Most indices of profitability are also within the average level industry, slightly exceeding it. Profitability of fixed assets was insufficient only in 2011-2012.</p>
Collective enterprises	<p>These entities were characterized by high level of financial self-support during all researched period, except for 2008-2009. Indices of financial firmness and stability are the highest among all agrarian units in the region. Equity has a high level of mobility as it is concentrated in current assets.</p> <p>Liquidity and security of own current assets in collective enterprises exceed average level industry significantly.</p> <p>Business activity was at a high level only in 2010-2011, in other years they shown low efficiency of economic activity.</p> <p>Indices of profitability were tiny for a long time, and although in 2010-2011 there was their rapid growth, but it was changed by a rapid decline in 2012. The indices of profitability activity and of the fixed assets are higher than average values industry.</p>
State enterprises	<p>The financial firmness of the given enterprises is significantly below the normative level, so we can say that equity and long-term liabilities are not enough for providing an effective activity and development of these entities for a long time. Liquidity is very low. Current assets are fully financed at the expense of short-term loans. Business activity of enterprises was rather high till 2011, and in 2012 it was significantly reduced. The indices of profitability are low, and they were tiny or even equal to zero till 2011. Being increased in 2011-2012 these indices didn't reach average values industry.</p>
Utility companies	<p>These economic structures are characterized by the highest level of financial self-support and firmness. Their financial stability also shows high indices.</p> <p>Short-term liabilities are much higher than the amount of current assets, and this is an evidence that these funds are used not only for current activity, but also for coverage the enterprises' damages.</p> <p>Indices of economic activity are rather high. By a low level of profit it is explained by the fact that these entities provide services and therefore they don't require a large number of items and means of labor.</p> <p>Utility companies were unprofitable during all researched period.</p>
Subsidiary companies	<p>These enterprises are characterized by the highest indices of changeability. Thus, in 2007-2009, they were completely dependent on external sources of funding, having a low level of financial firmness and significant capital mobility. Since 2010 the situation has been changed and these indices have risen sharply. Currently they are financially self-support and firm.</p> <p>Indices of economic activity of these enterprises were not below than average level industry during all years.</p> <p>Profitability, after a significant decline in 2009, returned to pre-crisis level only in 2012, but the given growth was so high that according to the mentioned indices, the subsidiary companies have got leading positions in the region.</p>
Joint-stock companies	<p>Financial self-support, stability and firmness of joint stock companies has experienced significant fluctuations over the researched period. Thus, within the normative level they were only in 2010 and 2011, so we can't speak about solid financial position of enterprises. The situation is similar with the indices of business activity. Enterprises' equity during the researched period had high mobility. The liquidity of joint-stock companies and the security of current assets are at the appropriate level. The researched economic entities were working with high profitability (in comparison with other companies in the region) only in 2011-2012, in previous years these indices were much lower.</p>

Limited liability companies	During the researched period, financial self-support, stability, firmness was decreasing constantly, as a part of borrowed funds in the structure of sources the property's formation was increasing annually. Concentration ratio of equity is considerably below the normative level during the last years. Therefore, currently the financial position of limited liability companies is unstable, and on condition of keeping the mentioned tendencies they may become insolvent. Business activity of the given enterprises has been within average level industry for a long time, but in 2012 it was reduced a little. Profitability ratios have been recessed since 2011, so the use of such amount of borrowed assets becomes unprofitable for these entities.
Co-operatives	The financial condition of co-operatives is firm. During the researched period their financial self-support and stability tended to increase. The ratio of manoeuvring was within the normative level, so capital mobility is moderate. Business activity of co-operatives was decreased a little in 2012, but accounts payable turnover and equity didn't fall down below average values industry. The effectiveness of economic activity and assets' use is poor, because during the last 4 years only the profitability of current capital was responding to average level industry, while other indices of profitability were much lower.

Source: author's elaboration

Thus, the researches of the financial condition of agrarian commodity producers have shown that each group of enterprises belonging to a particular organizational-legal form of economic activity has a set of specific problems. Although over the last years there have been some achievements in the functioning of agricultural entities, but these improvements are unstable. Therefore, taking into consideration that the improving the efficiency of agrarian sector is possible only by improving the functioning of the enterprises belonging to it, we have offered the ways for improvement the financial condition of agrarian enterprises of different organizational-legal forms according to their current problems.

Figure 6

The ways of improvement the financial condition of agrarian enterprises of Chernivtsi region of different organizational-legal forms

Organizational-legal form of an enterprise	The ways of improvement the financial condition
Farms	For improvement the mentioned enterprises' activity, we need firstly, to optimize the capital structure, having increased long-term loans, which have to be directed at improving the technical and technological base. This will allow not only to increase the financial firmness of these enterprises, but will also have a positive impact on their activity's results in the future. It is also important to redistribute the funds between fixed and current capital in the direction of growth of the latter having increased its mobility as a low value maneuverability ratio shows that the bulk of funds is capitalized.
Private enterprises	The priority is an optimization the financial resources' structure with a decrease a part of short-term liabilities and an increase of long-term liabilities. It is also important to increase the profitability of fixed assets by ensuring their quality, not only quantitative growth. Low efficiency of fixed assets' use indicates for a need of review the enterprises' commercial policy and specialization in the production of such products, which corresponds to the level of their technical equipment and thus will provide more productive use. It is important to search new target markets, that will allow to improve the business activity of economic entities.
Collective enterprises	Ensuring own activity with an equity for more than 80%, collective enterprises practically disqualify of intensive increase of production and accumulation of production capacity. Thus, the temporary increase of equity in 2010-2011 allowed to cultivate greater area for grain crops and soybeans, that resulted in revenue and profit' increase. However, after the amount of equity has been declined, financial-economic results of an activity began to worsen. That's why, the priority is searching for additional sources of funding of these enterprises' activity.
State enterprises	Indices of economic activity of state enterprises are rather high, while the profitability indices were tiny till 2011. It shows considerable production cost, product's high cost price in the given economic structures. Therefore, the main tasks are searching for reserves of decrease the cost price (primarily by reducing the specific gravity of constant expenses in cost price, a raise of labour efficiency, decrease of labour's expenses which can be reduced at the expense of improving of the use of labour's means and objects and new marketing channels, and an improvement of the management system. As these are the factors mainly contributing to reducing of working expenses.

Utility companies	These enterprises are created not only for the production, processing and the sale of agricultural product, their activity is also directed at providing services in an agrarian sector and the sale of national and regional industrial and scientific and technical programs and the development of the agrarian sector as a whole. Taking into consideration constant unprofitableness of an activity, utility companies should organize a cooperation with other economic entities so as to provide only those services that will be in demand. The results of their research works must be commercialized, which will allow to make their functioning profitable.
Subsidiary companies	Profitability of subsidiary companies' ratios increased only in 2012, and until they were on a much lower level. That's why these economic entities need to continue developing its activity with the same proportions of equity and debt capital, fixed and current assets and with the same specialization of certain product's production, as it was in the most profitable year 2012. Another important objective is to accelerate the turnover of assets, as currently the mentioned index is below average one.
Joint-stock companies	Ensuring an appropriate level of financial self-support is one of the main tasks of joint stock companies, as during the researched period it was within a norm in some years. This is mainly due to the borrowing a large number of short-term loans, that's why some reduction of their size is able to provide the appropriate level of financial firmness.
Limited liability companies	For providing the firm financial condition, liquidity and solvency, joint-stock companies need to reduce some dependence from creditors. In particular, it is necessary to reduce the share of short-term loans in the structure of the sources of the property's formation. An enterprise can decrease the financial liabilities at the expense of: decrease the amount of fixed costs (including the costs of the management's financing), decrease of semi-variable costs, an extension the terms of accounts payable by commodity transactions, deferred payments of dividends and interests [8, p.133].
Co-operatives	Reduction the amount of borrowed funds leads to the decrease the efficiency of economic activity, as the possibilities of enterprise's development and borrowing an innovative component in industrial process decrease substantially. Therefore, co-operatives need to intensify their production capacity and to increase output, using financing from external sources, as they have sufficient stock of financial firmness which allows to draw a lot of borrowed funds without creation a danger for the financial self-support of enterprises.

Source: author's elaboration

Conclusions and the perspectives of the future researches. Thus, the financial condition – is the most important feature of the agrarian enterprise's economic activity. It reflects the competitive ability of a commodity producer, his potential in business cooperation, estimates the level of a guarantee of economic interests of an enterprise and its partners in the financial and other relationships [1 p.160]

Performed researches have shown that agrarian enterprises of different organizational-legal forms adapt to current economic conditions differently, which is reflected in their financial condition. Thus, different structure of property's formation, unequal access to credit, marketing channels, material-technical resources, cause differences in the amount and results of an activity. Therefore, we have developed a list of ways for improving the financial condition for each enterprise of organizational-legal forms, including their problems.

The general measures for improving the financial condition, which, as the results of the research have shown are related to all business entities are: the search for the optimal ratio of equity and borrowed capital, which would provide minimal financial risk with the maximum capital profitability, liquidity optimization, which is realized by means of the financial stabilization mechanism – system of measures which are directed on the one hand on the reduction of financial liabilities, and on the other hand on the increase in cash assets for ensuring these liabilities, increase the management's efficiency of cash flow, improvement of sales policy, extension of target markets, reducing the specific gravity of fixed costs in the product's cost price, which will have a positive impact on the profitability.

Perspectives for further researches will be directed to the necessity of thorough assessment of agricultural enterprises' efficiency, including an analysis of their financial condition, output, production capacity, providing the resources and productivity of its use, an access to target markets aiming at determination the organizational-legal forms, which are able to function with the highest efficiency providing intensive development of the agrarian sector and its competitiveness on the international scene.

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Hanhal L.S. THE ANALYSIS OF AGRARIAN ENTERPRISES' FINANCIAL CONDITION OF DIFFERENT ORGANIZATIONAL- AND LEGAL FORMS AND WAYS OF ITS IMPROVEMENT

Purpose. An objective assessment of the financial condition of agrarian commodity producers of different organizational-legal forms and determination the ways of its improvement.

Methodology of research. To solve the tasks of the article, the system of economic and statistical methods has been used, which realizes an integrated approach to the analysis of financial-economic activity of agrarian units, based on a synthesis of classical, statistical and mathematical tool, the analysis of the indices' dynamics of the industrial activity of the researched economic agents. Theoretical and methodological bases of the researches is the achievement of domestic and foreign science in the field of economy's agrarian production.

Findings. It has been determined that agrarian enterprises of different organizational-legal forms adapt to the current economic conditions differently: they have unequal access to the credit sources, marketing channels, material-technical resources. We have developed a list of ways for improving the financial condition for each enterprise of organizational-legal forms: the search for the optimal ratio of equity and borrowed capital, which would provide minimal financial risk with the maximum capital profitability, liquidity optimization, which is realized by means of the financial stabilization mechanism – system of measures which are directed on the one hand on the reduction of financial liabilities, and on the other hand on the increase in cash assets for ensuring these liabilities; increase the management's efficiency of cash flow, improvement of sales policy, extension of target markets, reducing the specific gravity of fixed costs in the product's cost price, which will have a positive impact on the profitability.

Originality. Financial stabilization mechanism has been proved, system of measures which are directed on the one hand on the reduction of financial liabilities, and on the other hand on the increase in cash assets for ensuring these liabilities, increase the management's efficiency of cash flow.

Practical value. These findings contribute to improving the financial condition of agricultural units. They can be used for the implementation in agrarian enterprises of different organizational-legal forms.

Key words: agrarian enterprises, financial-business activity, economic analysis, management's efficiency.