

Kyiv National University of Trade and Economics
Department of international economic relations

FINAL QUALIFYING PAPER

on the topic:

**“Management of efficiency of foreign trade operations of the enterprise”
(based on the data of ALC «Mukachevo machine-building plant»,
c. Kolchino)**

Student of the 2nd year,
group 5a, speciality 073
«Management»,
specialization
«Management of foreign
economy activity»

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ВИПУСКНА КВАЛІФІКАЦІЙНА РОБОТА

на тему:

«Управління ефективністю зовнішньоторговельних операцій»

(на матеріалах ТДВ «Мукачівський машинобудівний завод», м. Кольчино)

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SUMMARY

TO THE FINAL QUALIFYING PAPER

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references - 74

Object of the research – is the process of managing the efficiency of foreign trade operations of the enterprise.

Subject of the research – theoretical and practical aspects of management of efficiency of foreign trade operations of the enterprise.

Enterprise that is a basis for writing master diploma work is ALC “Mukachevo machine-building plant”.

Purpose of final qualifying work – is to improve the efficiency management system of foreign trade operations of the enterprise.

Methods of the research – the dialectical method (in the study the essence of foreign trade of the enterprise); systematic and comparative analysis (in the study of methodical approaches to the estimation of efficiency of foreign trade transactions of the enterprise); abstract-logical (to justify the theoretical generalizations and the formulation of conclusions); analysis and synthesis (to assess dynamic and structural changes in the activities of the company and its effectiveness); statistical and economic (to analyze the status and dynamics of activity of the enterprise) etc..

In the introduction the relevance of the topic is justified, the degree of its disclosure in the economic literature by domestic and foreign scientists is revealed; the purpose, objectives, object, subject of research are formulated.

In the first part of «Theoretical and methodical bases of management of efficiency of foreign trade operations of the enterprise» the essence is specified and types of foreign trade operations of the enterprise are systematized; the mechanism of management of efficiency of foreign trade operations of the enterprise is investigated; methodical approaches to an assessment of efficiency of foreign trade operations of the enterprise are given.

In the second part of work «evaluation of the effectiveness of foreign trade operations of «Mukachevo machine-building plant»» analyzed the financial and economic activities of "Mukachevo machine-building plant"; the practice of managing the effectiveness of foreign trade operations of «Mukachevo machine-building plant»; evaluated the effectiveness of foreign trade operations of «Mukachevo machine-building plant».

In the third part of work «improving of the efficiency management system of foreign trade operations of «Mukachevo machine-building plant»» identified ways of improvement of the efficiency management system of foreign trade

operations of the enterprise; developed a set of measures to improve the efficiency management system of foreign trade operations; evaluated the effectiveness of the proposed measures.

Conclusions set out the theoretical generalization and solution of the scientific problem, the essence of which is a comprehensive study, evaluation and development of proposals to improve the management system of foreign trade operations of the enterprise.

АНОТАЦІЯ

Олянюк Д.О. Управління ефективністю зовнішньоторговельних операцій підприємства

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 073 «Менеджмент» спеціалізацією «Менеджмент зовнішньоекономічної діяльності». Київський національний торговельно-економічний університет.

У випускній кваліфікаційній роботі уточнено сутність та систематизовано види зовнішньоторговельних операцій підприємства; досліджено механізм управління ефективністю зовнішньоторговельних операцій підприємства; наведено методичні підходи до оцінки ефективності зовнішньоторговельних операцій підприємства; проаналізовано фінансово-господарську діяльність ТДВ «Мукачівський машинобудівний завод»; практику управління ефективністю зовнішньоторговельних операцій ТДВ «Мукачівський машинобудівний завод»; оцінено ефективність зовнішньоторговельних операцій ТДВ «Мукачівський машинобудівний завод»; визначено напрями удосконалення системи управління ефективністю зовнішньоторговельних операцій підприємства; розроблено комплекс заходів щодо удосконалення системи управління ефективністю зовнішньоторговельних операцій; оцінено ефективність запропонованих заходів..

Ключові слова: зовнішньоекономічна діяльність, зовнішньоторговельна операція, експорт, експортна операція, ефективність, управління.

ABSTRACT

Olianiuk D.O. Management of efficiency of foreign trade operations of the enterprise

Qualifying work for obtaining a master's degree in specialty 073 "Management", specialization "Management of foreign economic activity". Kyiv National University of Trade and Economics, 2018.

In the final qualifying work clarifies the nature and systematic foreign trade operations of the company; investigated the mechanism of management of efficiency of foreign trade transactions of the enterprise; the methodological approaches to evaluating the effectiveness of foreign trade operations of the company; analyzed financial and economic activities ALC "Mukachevo machine-building plant"; the practice of performance management of foreign trade operations of ALC "Mukachevo machine-building plant"; evaluated the effectiveness of foreign trade operations of ALC "Mukachevo machine-building plant»; the directions of improving the efficiency management system of foreign trade operations of the enterprise; developed a set of measures to improve the efficiency management system of foreign trade operations; evaluated the effectiveness of the proposed measures.

Key words: foreign economic activity, foreign trade operation, export, export operation, efficiency, management.

CONTENTS

INDTRODUCTION	4
PART 1. THEORETICAL AND METHODOICAL ESSENCE OF MANAGEMENT OF FOREIGN TRADE EFFICIENCY OF THE ENTERPRISE	6
1.1. The essence and types of foreign trade operations of the enterprise	6
1.2. Mechanism of management of foreign trade operations of the enterprise	17
1.3. Methodical approaches for the assessment of the efficiency of foreign trade operations of the enterprise	25
Conclusions to part 1	33
PART 2. EVALUATION OF THE EFFECTIVENESS OF FOREIGN TRADE OPERATIONS OF ALC «MUKACHEVO MACHINE-BUILDING PLANT»	35
2.1. Analysis of financial and economic activity of ALC «Mukachevo machine-building plant»	35
2.2. Practice of management of efficiency of foreign trade operations at ALC «Mukachevo machine-building plant»	44
2.3. Evaluating the effectiveness of foreign trade ALC «Mukachevo machine-building plant»	52
Conclusions to part 2	65
PART 3. IMPROVING FOREIGN TRADE SYSTEM ALC «MUKACHEVO MACHINE-BUILDING PLANT»	67
3.1. Ways of improving performance management system of foreign trade of the enterprise.	67
3.2. Development a set of measures to improve management efficiency of foreign trade ALC «Mukachevo machine-building plant»	75
3.3. Evaluating the effectiveness of the proposed measures	85
Conclusions to part 3	93
CONCLUSIONS	95
REFERENCES	100

APPENDICES

INTRODUCTION

Research relevance. One of the main factors of developing domestic economy in current conditions is effective foreign trade activity, which play important role in improving level of life of ukrainian people as well as strengthening state trade position. The ensuring of foreign trade effectiveness can be only with elaborating rational multistage schemes of realization trade operations. Operations with current account are main transactions between Ukraine and another world. Effectiveness is essential to making foreign trade. An any subject of foreign trade solves problem of improving transaction effectiveness. The effectiveness of foreign trade operations is an effective sign of the mechanism of management of foreign economic activity of the enterprise.

Analysis of last researches and publications shows that foreign trade management of the enterprise is relevance. This problem has been studied by domestic scientist such as: V. Voloshyn, I. Gershykova, N. Didenko, D. Larin, L. Ligonenko, A. Mazaraki, E. Prokushev, N. Rodygina, T. Cenina, I. Makarova, O. Matveeva, Y. Chugaenko, V. Ponomarenko, I. Piddubny, L. Piddubna, T. Lepeiko, N. Ushakova and others.

Object of the research is a process of foreign trade management of the enterprise.

Subject of the research is theoretical and practical aspects of foreign trade management of the enterprise.

Research purpose is improvement of foreign trade management system of the enterprise.

To achieve goal was solved following **tasks**:

- defined essence and presented type of foreign trade operations;
- studied mechanisms of effectiveness of foreign trade management;
- presented methodical approaches to evaluation of effectiveness of foreign trade transaction management;

- made analysis of financial and operational activity of ALC "Mukachevo machine-building plant";
- studied of approaches of effective foreign trade management of ALC "Mukachevo machine-building plant";
- assessed effectiveness of foreign trade operations of ALC "Mukachevo machine-building plant";
- defined approaches of improvement foreign trade management system of the enterprise;
- elaborated set of methods that can improve foreign trade management system of the enterprise;
- assessed of efficiency of proposed approaches.

In the study work was used general scientific and special methods of scientific knowledge, namely: the dialectical method (in the study of the essence of foreign trade operations of the enterprise); systematic and comparative analysis (in the study of methodological approaches to the assessment of the efficiency of foreign trade operations of the enterprise); abstract-logical (for substantiation of theoretical generalizations and formulation of conclusions); analysis and synthesis (for estimation of dynamic and structural changes in the activity of the explored enterprise and its efficiency); statistical-economic (in order to analyze the state and dynamics of the enterprise's activity), etc.

Information sources of the research are scientific works of domestic and foreign scientists, and the financial statements of the ALC "Mukachevo machine-building plant".

PART 1

**THEORETICAL AND METHODOLOGICAL ESSENCE OF MANAGEMENT
OF FOREIGN TRADE EFFICIENCY OF THE ENTERPRISE**

1.1. The essence and types of foreign trade operations of the enterprise

An overview of scientific literature shows that foreign trade operations of the FEA are identified as the concept of “foreign economic agreement” and are regarded as an action aimed at establishing, changing or terminating legal relations with foreign counterparties. However, this approach narrows the concept of “foreign trade operation”, as in the process of its implementation in the subjects of foreign economic activity (FEA) there are not only legal relations, but also economic, social, etc.

The research of the legislative framework of Ukraine made it possible to find out that none of the normative and legal documents gives a clear definition of such economic category as “foreign trade operation”. For instance, under the article 379 of the Commercial Code of Ukraine [1], the term "foreign trade operation" is indicated, but its definition is not indicated and considered as a synonym of the concept of “foreign economic activity”, which is not fully correct. The FEA should be considered within the framework of a specific customs regime and the type of foreign economic activity. Article 1 of the Law of Ukraine "On Foreign Economic Activity" [4] also refers to this term but does not specify its content. The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" [2] defines a concept such as an economic transaction that is an act or event that causes changes in the structure of assets and liabilities of the enterprise's equity. This approach reveals the accounting essence of this concept, which is important for assessing the financial state of the enterprise but does not take into account the international component of an operation.

Scientific approaches defined the term “foreign trade operation” are

presented in the table below (Tab. 1.1).

Table 1.1

Scientific approaches defined the term of “foreign trade operation”

Author, source	Definition
Dunska A.R. [34]	Set of counterparties actions of different countries, aimed to do trade exchange
Tyurina N.M.. [57]	Set of activities, used by subject of FEA of different countries with aim to do and improve foreign trade exchange. These activities are market research of good or services, its advertising, creating of distribution multichannel networks, negotiation, and making deals and contracts.
Kotish E.N. [36]	The purposeful process of interaction between the subjects of FEA of Ukraine and foreign counterparties regarding the establishment, modification and termination of legal, economic, social and other relations between them both on the territory of Ukraine and abroad, which causes changes in the structure of assets and liabilities and equity of the enterprise.
Novikov O.E. [44]	The complex of actions of counterparties (foreign partners in foreign trade operations) of different countries, aimed to provide and ensure the exchange.
Mashkov A.O. [40]	Sales of goods and services, accompanied to respective procurement of goods and services with aim to achieve balance of export-import operations.
Dolganyuk K.S. [30]	The set of actions of counteragents of different nationalities in the preparation, conclusion and execution of an international trade, research, production, investment or other agreement of an economic nature.
Mikheyeva O.G. [42]	Any transactions involving the transfer of ownership of goods and / or services and provide for the crossing of the customs border of the state.

Sources: structured by author [40,44,57]

We think that among terms, the definition of the Kotysh E.N is the most appropriate for “foreign trade operation”. Advantages of such approach are connection of accounting component, defining place of FEA and its subject, and establish legal relationship between them [36].

Summarizing aforementioned, can be concluded that the foreign trade operation is a set of actions of a domestic subject of foreign economic activity and a foreign subject of economic activity, which falls under the definition of one of the types of foreign economic activity, stipulated by the Law of Ukraine "On Foreign Economic Activity," [4] and includes a finished one-time transfer of goods (performance of works, provision of services) and completed settlements (monetary, commodity and other forms) for this one-time transfer of goods (performance of works, provision of

services).

The foreign trade operation involves the presence of entities that carry out this activity and the objects to which this activity is directed.

Subjects of FEA – are enterprises, firms, organizations that work or intend to work in the foreign market.

The object of the FEA is the material processes that manifest themselves in the process of exchange of goods, services, results of production and scientific and technical cooperation.

Foreign trade operations are divided into basic and auxiliary (tab. 1.2).

Table 1.2

Types of foreign trade operations

Characteristic	Types of operations
Basic	<ul style="list-style-type: none"> – exchange of goods in material form (export-import operations); – exchange of scientific and technical knowledge (trade in patents, licenses, know-how); – exchange of technical services (advisory and construction engineering); – provision of consulting services in the field of information and management improvement; – international tourism; – exchange movies, TV shows, etc.
Auxiliary	<ul style="list-style-type: none"> – international transportation; – freight forwarding; – cargo insurance; – conservation of goods during international traffic; – international payments, etc.

Source: Structured by author [30; 34].

The main operations are contractual operations for the sale of goods or the exchange of goods (barter), and these transactions are fixed in foreign trade agreements. The main FTOs are operations that are carried out on a settlement basis between direct participants in these operations (counterparties from different countries). Auxiliary operations ensure proper execution of basic operations. They provide the movement of goods to the consumer, so they are also called commodity sales operations [31].

Among the various types of major FTOs, the largest volume of transactions is in the exchange of goods in material and physical form, which include: export operations, import operations, re-export operations, re-import operations.

Export of goods – sale of goods by Ukrainian subjects of foreign economic activity to foreign business entities (including non-cash payment) with the export or non-export of these goods through the customs border of Ukraine, including the re-export of goods.

Imports of goods – the purchasing (including payment in non-monetary form) by Ukrainian subjects of foreign economic activity in foreign business entities of goods with or without the importation of these goods into the territory of Ukraine, including the purchase of goods intended for their own consumption by institutions and organizations. Ukraine located outside its borders.

Re-export of goods means the sale to foreign entities and export of goods from Ukraine previously imported to the territory of Ukraine without any processing.

Reimport of goods is an export agreement that has not taken place, that is, the importation into the country of previously exported goods, which has not been processed there. These may be goods not sold at the auction, returned from the consignment warehouse, rejected by the consumer, etc [4].

In practice, the implementation of FEA distinguish different classification features for the systematization of types of FTO. Each FTO is accompanied by the corresponding type of agreement. Most often FTO and transactions are classified according to the features given in table 1.3.

Table 1.3

Classification of foreign trade operations

Classification attribute	Type of foreign trade operations
Type of trade	Export, import, re-export, reimport, transit.
The subject of the operation	Sales and purchasing goods or/and services, leasing of equipment, royalty etc.
Features of the subject of the operation	Purchase and sale of machinery and equipment, commodities, finished products, etc.

The organizational trade form in the world market	Auction, stock trading, mediation, etc.
Type of sale channel and contacts	Agreements can be signed directly between contractors or through an intermediary
Degree of good readiness to sale	Deliveries of finished products, assemblies and components for assembling, complete equipment, etc.
Barter trade	Counter purchases, barter, processing of tolling raw materials, etc.
Patents' and other scientific rights' trade	Purchase and sale of licenses, know-how, factoring, franchising, consulting, engineering, reengineering.
Distribution activity	Consignment, commission, agency, brokerage.
Structured attribute	Financial - lending, insurance, making payments. Industrial - leasing, co-operation, joint entrepreneurship. Investment.

Sources: structured by author [35; 44; 54].

There are two main methods of carrying out export-import operations in international trade practice: direct import and export; indirect import and export, which is the sale and purchase of goods through resellers. Approximately 2/3 of industrial goods in industrialized countries are sold by producers through direct exports [8].

In table 1.4 presented the cases of using direct and indirect methods in the implementation of FTO.

Table 1.4

Methods of foreign trade operations

Methods	Type of operations
Direct method	sale and purchase of industrial raw materials on the basis of long-term contracts exports of expensive and overall equipment purchase of agricultural products from farmers government sales and purchases
Indirect method	sales of standard industrial equipment sales of consumer goods sale of secondary products some hard-to-reach and little-known markets promotion of new products lack of own sales network trade is monopolized by large trade and intermediary firms

Sources: structured by author [26; 28].

The implementation of FTO through the direct method provides a number of advantages [35, p. 108]:

- closer contacts with contractors;
- in-depth knowledge of market conditions;
- faster adaptation of their production capacities to the needs of the consumer.

The indirect method also has some advantages, including:

- great experience of the trade and intermediary firm in a specific market;
- availability of own service network;
- regular contacts with contractors;
- knowledge of market conjuncture.

The implementation of the FTO requires the application of a certain legal form and the use of specific approaches (methods) for its implementation. The legal form that mediates the FTO is the foreign trade agreement.

Analyzing economic literature, can be concluded that different authors consider the implementation of the FTO and group the procedures and stages of its implementation in different ways depending on the purpose. For example, Burlachkov V.K. distinguishes the following stages FTO, as [8]:

- 1) marketing research;
- 2) analysis of the world market situation;
- 3) search for a foreign partner;
- 4) registration of the offer and the request;
- 5) negotiations on the terms of the contract;
- 6) international transportation of goods;
- 7) insurance;
- 8) conducting calculations.

Such a scheme of FTO implementation is large enough and does not consider such stages as customs clearance of goods, calculation of the results of the implementation of the FTO, etc.

An overview of scientific sources [15, 30, 36, 48, 51] showed that FTO should be conducted in such a scheme, which combines 3 stages:

1st stage. Preparation for the conclusion of an agreement (contract). This stage includes: a comprehensive market research; advertising campaign; establishing contacts with a potential counterpart abroad.

2nd stage. Conclusion of an agreement (contract): preliminary negotiations (by correspondence, personal contacts); choice of signing a contract; acceptance by buyers of solid offer; confirmation by the seller of the order made by the buyer; choice of the form of the contract of sale (written, oral, mixed); choice of the type of contract (one-off or periodic delivery) and forms of payment (commodity, mixed); finalization of the text of the contract; signing a contract.

3rd stage. Execution of the agreement (contract): ensuring the production of the goods for export; preparation of goods for shipment; conducting payment and settlement operations; cargo insurance; conclusion of a contract with the forwarding company; organization of international cargo transportation; customs clearance of cargoes.

Volovik L.A. [14] proposes to carry out the FTO, considering the following stages:

1. Research of market conditions (conducted to identify the demand for certain types of goods in the world market or in the markets of selected geographical regions and countries).
2. The choice of forms and methods of work in the market.
3. Planning FTO (development of interrelated by time and content organizational and commercial measures based on marketing research).
4. Conducting an advertising campaign (includes the implementation of a set of approaches, the composition and content of which is determined at the first stage of the FTO - market research).
5. Preparation and conclusion of an international contract (necessary to be carried out on the basis of international law and international trade practices).
6. Performance of contractual obligations.

Dunskaya A.R. identifies the following main stages of the implementation of the FTO [33]:

1st stage. Establishing a business contact with a foreign partner:

- request from the buyer of information about goods, a call to the auction of the seller;
- receipt of the answer, the buyer's response to placing the order;
- verification by the seller of the solvency of the buyer and its confirmation.

2nd stage. Registration of buyer's order:

- Written instruction of the buyer about the delivery of goods or services;
- installation schedule of deliveries;
- determination of the minimum price;
- acceptance of the order.

3rd stage. Provision of delivery and payments:

- definition of the contract price;
- determination of basic delivery terms;
- agreement of terms of calculation and methods of payment by the buyer.

4th stage. Seller order fulfillment:

- preparation of goods for shipment (packaging of goods in accordance with rules, norms and standards);
- delivery and transportation;
- insurance of cargo - registration of an insurance policy;
- customs clearing - filling of the customs declaration;
- settlement of a payment account.

According to the results of the research a foreign trade operation has several stages, each of which can be structured into separate stages. Consider the main stages of the implementation of the FTO [33].

1. *Determination of the purpose of entering the external market.* At this stage, the overall objective of the enterprise in the foreign market is established.
2. *Marketing researches of foreign markets.* The main advantages of a market are determined, preferences and privileges of the counterparty are

studied, the main competitors and prices of their products are analyzed, and so on.

3. *Market researches of the internal market.* The analysis of the national legislation in the field of foreign economic activity, the means of support of the exporter and the importer, the assessment of internal capabilities of the enterprise, the domestic market.
4. *Search and preliminary evaluation a potential partner.* At this stage, lists of potential partners in a specific market are being compiled and their reliability is analyzed.
5. *Calculation of the planned efficiency of the transaction.* Preliminary calculation of export or import price of goods, payment terms; establishing the peculiarities of entering a specific foreign market and calculating possible discounts in the process of negotiating and signing a contract
6. *Establishing the contact.* Making an offer / request, discussing the preconditions of the operation.
7. *Preparation of a draft contract, negotiations.* Negotiating, drafting a contract, discussing it and signing it.
8. *Implementation of the contract.* Control over the timing of all stages of production, registration and payment for goods.
9. *Customs clearance of goods.* Analysis of the permit system and registration of necessary documents, calculation of customs value and customs payments, calculation of the amount of VAT refund in the course of the export transaction.
10. *Consideration of possible complaints.* Analysis of reasons for improper fulfillment of contract terms.
11. *Analysis and evaluation of foreign trade operations.* Calculation of actual efficiency and comparison with the planned one. Establish the reasons for the rejection.
12. *Interpretation of the results obtained.* Justifying the need for further operations on a specific foreign market.

The category “efficiency of foreign trade operations” has a significant place among the economic categories that characterize the state and development of foreign trade of the enterprise. Efficiency in general and the efficiency of foreign trade operations are considered in theory and practice in the plane as a state, region, industry, and primary sectors of the national economy. But in the development of new strategies of economic and social policy of Ukraine, it is appropriate to give special attention to the tasks of improving foreign trade operations of certain economic entities [62].

The source of the effectiveness of the foreign economic activity of the state is the processes that take place at the enterprise. An important condition for the successful operation of the enterprise where exports or imports are the main activity is the creation of a perfect system for evaluating the results of export-import operations, the level of which is characterized by the effectiveness of their implementation.

The substantiation of the theoretical basis for determining the category of "efficiency of foreign trade operations" and the methodology for their definition are the focus of domestic scientists for a long time. The main direction of scientific development is the desire to refine the cost instruments, by which the comparison was made between domestic and foreign trade prices to identify the relative efficiency of the exchange [66].

Through the implementation of foreign economic activity, the state must achieve the implementation of a whole set of global goals - economic, political and social, in contrast to the enterprise, the main purpose of which in the field of foreign trade is to obtain profit from foreign trade operations. In our opinion, the definition of the category of “efficiency of foreign trade operations” should be clarified and formulated based on the characteristics of the objectives pursued by the state and enterprise. Thus, the distribution of definitions of the category "efficiency of foreign trade operations" is possible for the enterprise and the state as a whole. The justification for determining the category of “efficiency of foreign trade operations of the enterprise” should begin with the study of existing

approaches to determining the category of “efficiency” to determine the sources of its formation.

According to most scholars, efficiency is one of the most complex categories of modern economic science [58]. Having analyzed the existing definitions of the category of “efficiency”, two main approaches to its definition can be distinguished. The first approach describes the “effectiveness” in terms of performance, answering on the question of which results have been achieved and at what price, how much and how much resources were spent on achieving the results. In this approach, efficiency is seen as the ratio of results and costs. The criteria for the first approach are “cost-result”. But the question arises whether we will get the results we can achieve; how close we are to achieve the goal.

The presence of these issues has led to the existence of a second approach that characterizes the “effectiveness” based on achieving the goal, it answers questions whether we achieved our goal and how we come closer. The criterion for the approach is “result-goal” [64].

The most common approach to determining the essence of economic efficiency is an approach based on the consideration of efficiency as a performance. Such an interpretation of efficiency derived from the classical school is firmly established in economic theory. Examples of the formulation of definitions of the effectiveness of activities with the application of the above approach are the following characteristics: "Under the economic efficiency of the functioning of economic systems is understood to be the effectiveness of their functioning"; "The effectiveness of the national economy is usually associated with its purpose and understood as the effectiveness, completeness of achieving the goal" [51].

Popova V. say that at the macro level it is does not worth studying "efficiency", but "efficiencies", because the national economy can have several goals. According to this author, it is impossible to measure the comparative effectiveness of the economies of different countries (the goals are different; therefore, indicators cannot be compared) [50].

This statement, in our opinion, is not entirely correct, because the national economy has one main goal - the continuous improvement of the welfare of the households, reducing social and economic costs. We agree that in order to achieve the global goal, we must achieve many goals that are different for each country, depending on the degree of economic, political and social development. However, there are a set of indicators that would allow us to analyze the development of the economy and identify its effectiveness or inefficiency [67].

1.2. Mechanism of management of foreign trade operations of the enterprise

The effectiveness of foreign trade operations of the enterprise - a complex category, which combines the parameters characterizing the development of domestic and foreign markets. For performance indicators to give in practice the correct answer to the question of the expediency of the company's implementation of certain foreign trade operations, it is worth choosing the efficiency criterion [39].

The criterion for the effectiveness of foreign trade operations of the enterprise is the maximum net income from export (or, depending on the type of foreign economic activity) operations [23]. According to this criterion, it is worth choosing the best options for cooperation with external trade partners.

Quantitative assessment of this criterion is carried out based on comparison of the cumulative effect of various options of foreign economic cooperation of the enterprise and the total costs associated with its implementation [15].

The assessment of the economic efficiency of foreign trade operations should be formulated based on the purpose of the enterprise, which must be realized for a certain period. Such activity is the result of a certain system.

Economic efficiency is a characteristic of the level of achievement of the set goal during a specific time period, the degree of obtaining the planned result of the system, considering the influence of internal and external factors.

The purpose of foreign trade operations of the enterprise is to generate profit. In our opinion, proceeding from the stated purpose, the effectiveness of foreign trade operations of the enterprise can be defined as the degree of achievement of the maximum net profit by optimizing the existing aggregate costs in the domestic and foreign markets [12].

Vakulchik O. devotes significant place among the economic categories the

efficiency of foreign trade operations that characterize the state and development of foreign economic activity of the enterprise. According to the author, this category is most often characterized by the efficiency of exports, that is, the profitability of exports, which is measured by the ratio of the cost of goods exported from the country in foreign trade prices to its value in the prices of the domestic market. Such a definition is a universal characteristic, which is used for both macro- and micro-level [9].

Grinkwich S. and Lukianchuk N. interpret efficiency as a category possessing such inalienable properties as integrity, dynamism, multidimensionality and interconnectedness of its various sides [23; 24; 38].

Thus, summing up theoretical approaches, the efficiency of foreign trade operations of the enterprise can be characterized by the features given in Table 1.5.

Table 1.5

Characteristics of theoretical approaches to determining the effectiveness of foreign trade operations of the enterprise

Classification attribute	Characteristic of the approach
Types of foreign trade operations	- utility of a certain type of foreign economic operation
The degree of the object research	- efficiency of foreign trade operations in general on the enterprise; - efficiency of commercial relations with individual foreign trade partners
Evaluation methods	- efficiency of foreign trade operations confirmed by the whole set of indicators of evaluation; - efficiency of foreign trade operations confirmed by selected number of evaluation indicators.

Sources: structured by author [50; 58; 70].

The concept of "mechanism of management of foreign economic activity" should be considered as a sequence of foreign economic activities and approaches, which is due to a set of interdependent elements that determine the essence and

dynamics of processes in relation to certain parameters of the effectiveness of achieving competitive advantages under the current conditions of development.

The tasks of managing the foreign economic activity of the enterprise will be greatly simplified in the presence of an effective mechanism for the assessment, control and regulation of the indicators of the efficiency of foreign economic activity, the continuous monitoring of processes on the exit of enterprises to the external market, their improvement on the basis of development of measures aimed at eliminating the deviations found during the assessment and control (Figure 1.1).

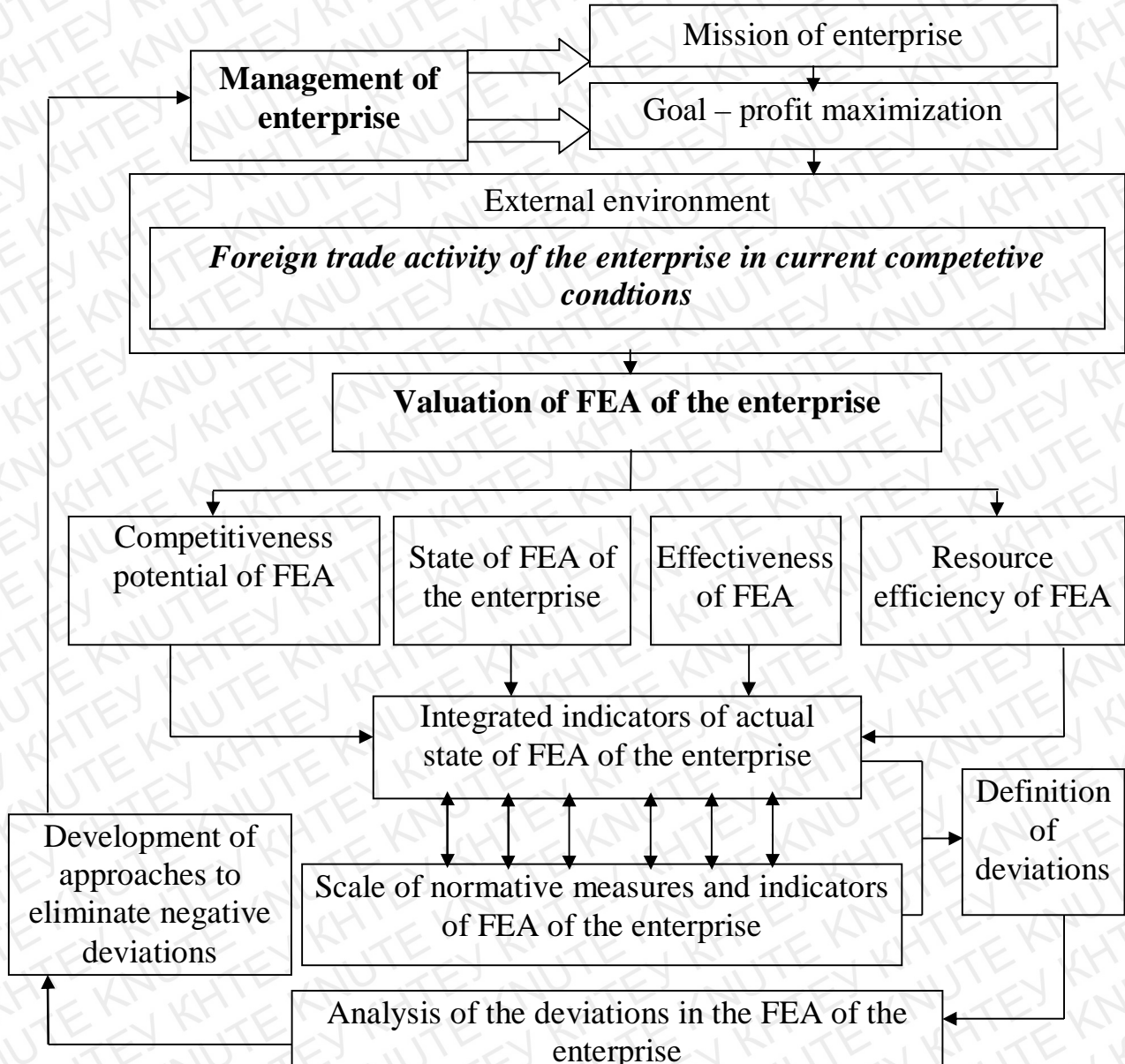


Fig. 1.1. Functional model of mechanism of management efficiency of FEA of the enterprise [39; 71]

The effectiveness of FTO is possible in the conditions of constructing a structural model of the mechanism of management of foreign economic activity of the enterprise, which is a holistic system of organizational, target and economic process of the enterprise's exit to the external market, and an important element of the overall structure of the economic mechanism of its functioning [40].

The structural model of the management mechanism of foreign economic activity includes a sequence of foreign economic methods, which includes the following elements: definition of macro and microeconomic conditions for the implementation of foreign economic activity; development of the strategy of the company's exit to the foreign market; diagnostics of the potential of foreign economic activity of the enterprise; development of directions of foreign economic activity; implementation of selected foreign economic directions; assessment of the effectiveness of foreign economic activity; regulation of the quality of realization of foreign economic directions; adoption of managerial decisions to eliminate negative deviations in order to increase the profitability of the foreign economic activity of the enterprise.

The mechanism of management of foreign economic activity should direct its influence on the effective use of organizational methods of management of analytical, production, marketing, foreign trade activity of the enterprise. Its action is provided by a balanced system of goals, objectives, management functions, approaches and methods, factors and criteria for assessing the effectiveness of management. All elements of the mechanism of management of foreign economic activity are interconnected and ensure its full functioning at all stages of development. As a result, conditions are created for the continuous improvement and optimization of measures aimed at strengthening the company's stable positions in foreign markets, timely identification and considering the signals of the internal and external environment of the operation of the enterprise [66].(Fig. 1.2)

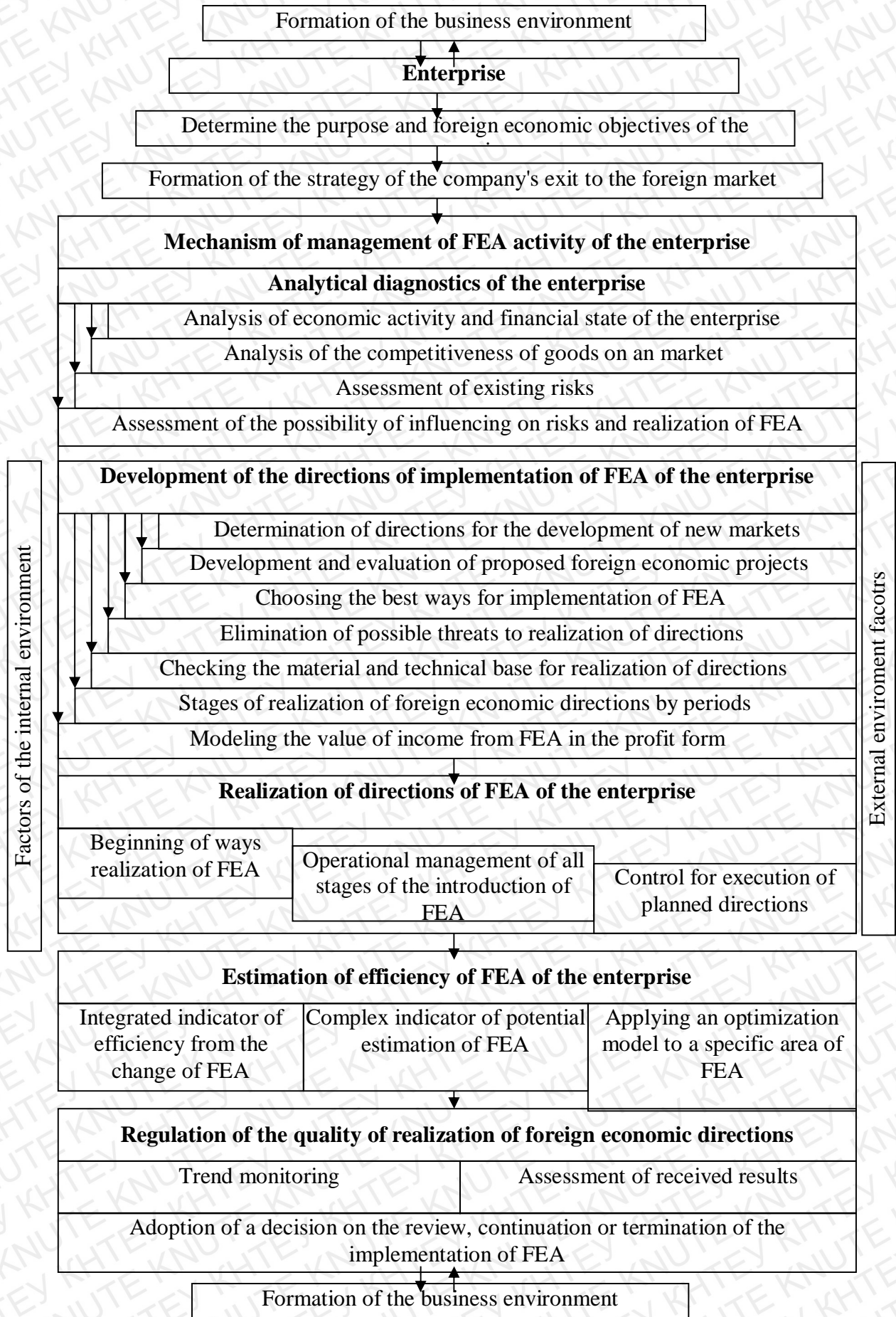


Fig. 1.2. Structural model of the mechanism of management of the efficiency of FEA of the enterprise [9]

Under the current conditions of development and functioning of the enterprise, the created effective mechanism of management of foreign economic activity becomes an objective necessity, because in the competition on the world market wins the one who timely assesses the situation, and the results of dynamic analysis enable the company to respond in time to events by correcting the strategy of conquering new markets [35].

The use of the set of considered goals, tasks, stages of the mechanism of management of foreign economic activity will ensure its effective functioning in achieving the short and long-term goals of foreign economic activity of the enterprise. The indicative approaches to the management of the effectiveness of foreign trade operations are based on the modification of the classical principle of comparative advantage in relation to the export-import of capital.

Considering the current specificity of FEA, the main principles of the management of the effectiveness of foreign trade operations are the following [11, p. 71]:

- the principle of capitalization allows considering foreign economic transactions as a game on the interest rates of the countries whose currencies are involved in contracts and to assess their yield on the formulas of simple and complex capitalization, based on the probability that the exporter-importer will not be able to withdraw from the project income to completion of project periods;
- the principle of off-balance-sheet expenses is to assess the projects of foreign trade agreements not in accounting costs (balance costs), but in economic terms, that is, considering off-balance (implicit) costs;
- the principle of deflation allows to compare projects of foreign trade agreements not on nominal ones, but on real indicators of profitability, which consider inflation (price index, annual average deflator) in counterparties;

- the principle of discounting is necessary for the implementation of projects of foreign trade agreements related to long-term foreign investments, which should be carried out only at a positive value of net present value (NPV);
- the principle of arbitration envisages that in the implementation of foreign trade interest rate arbitrage it is necessary to consider "scissors" between the interest rates and the exchange rates of counterparties;
- the hedging principle allows the transfer of currency risk to intermediaries by concluding futures and forward contracts (futures, forward) or dividing price risk between suppliers and customers through option options

The management of FTO efficiency is an important and integral part of the enterprise's business, a significant prerequisite for expanding sales markets, increasing production volumes and improving product quality, which in turn also allows to create a favorable basis for strengthening the competitive position of the company in the domestic and foreign markets [39].

The management of the effectiveness of FTO enterprises is a key to the successful perception of the exporting country or importer by country-competitors [12, p. 134]. This determines the urgency of identifying reserves for the growth of potential opportunities of enterprises-subjects of foreign economic activity for their effective use in the struggle for a competitive niche in the world market.

Considering the importance of FEA for the economy of the country and for the functioning of all spheres of business, an important element of the effective implementation of foreign trade operations is the continuous assessment, analysis and selection of activity trends and development of FEA [11]. It is possible to solve these problems by implementing a number of diagnostic procedures at the enterprise for the implementation of foreign trade operations, since it is a diagnosis that involves the process of evaluation, analysis and identification of the features of activity and trends in the development of certain spheres of the company's

operation or its functioning in general with the help of a system of business indicators for accumulation the necessary information on making informed decisions at all stages of the organization's management to direct their actions to the eliminates lacks in the activities of the enterprise and identify the strengths of the market structure.

1.3. Methodical approaches for the assessment of the efficiency of foreign trade operations of the enterprise

The effectiveness of the planned FTO becomes important in establishing the optimal structure of the export and import of the enterprise and making rational decisions in the field of managing the foreign economic activity of the enterprise.

Given the fact that under market conditions, the main goal of the enterprise - profit, then the sign of economic efficiency FTO - is to maximize profits by minimizing material and non-material costs, increase the growth rate of revenue, growth in net income [61].

In modern scientific literature, there are different views on the classification of indicators, through which one can determine the effectiveness of the FTO. O.M. Vukuchik [10] and T. Vasyuk [12], as well as the team of authors [38] believe that the entire system of indicators of FTO enterprises can be divided into four groups (Table 1.6).

Table 1.6

Indicators system of efficiency of foreign trade operations of the enterprise

Group of indicators	Indicators
Absolute indicators	<ul style="list-style-type: none"> - export volume; volume of imports; - volume of overhead export / import; - average balance; - number of claims; - number of satisfied claims; - volume of use of the trademark of the company; - volume of export of new goods
Relative indicators	<ul style="list-style-type: none"> - dynamics indices: cost index, physical volume index, price index. - coefficients of fulfillment of obligations on export and import: on the cost, on the actual volume, on the price; - average duration of turnover of export (import) operation; - coefficient of return of funds from export / import operations
Indicators of structure	<ul style="list-style-type: none"> - commodity structure of export or import; - geographic structure of export or import; - structure of overhead export or import
Efficiency indicators	<ul style="list-style-type: none"> export / import efficiency; average duration of the turnover of the export (import) operation; coefficient of return of funds from export / import operations;

Sources: structured by author [10; 12; 38].

Kozak Y.G. divides the performance indicators of the FTO enterprise into two large groups. The first group includes indicators that characterize the absolute value of the economic effect and are defined as the difference between the result and the costs, as well as comparative performance indicators, which are defined as the ratio of the result to the cost of the option of foreign trade contracts. The second group includes indicators characterizing expediency of the enterprise's participation in foreign trade relations of enterprises: indicators of local efficiency, which are calculated using current domestic prices; indicators of general economic efficiency, which are calculated on the basis of the estimated prices [35].

S.M. Matalka, in her monograph, notes that the assessment and analysis of the effectiveness of the company's FTO can be based on a system of indicators, which consists of three blocks: the first block describes the initial economic outcome; the second - the economic effect (the final result in absolute terms); the third - economic efficiency (the end result in relative terms) [39].

A similar opinion is maintained by a team of authors [51]. However, they believe that it is expedient division of the indicators into only two groups: indicators of the effect and performance indicators.

It should be noted that, despite the differences in the views on the classification of the system of indicators, most authors believe that the effectiveness of the company's FTO needs to be analyzed separately in the directions of such activities, and then determine the overall effect.

The efficiency of the enterprise's FTO is a complex category that combines the parameters characterizing the development of the domestic and foreign markets. For performance indicators in practice to provide the correct answer to the question of the appropriateness of the company's implementation of certain FTO, it is worth choosing the efficiency criterion [38].

The criterion for the activity of the enterprise-subject of foreign economic activity is the maximum of net income from export (or, depending on the type of foreign economic activity, import) operations. According to this criterion, it is

worth choosing the best options for cooperation with external trade partners. Quantitative assessment of this criterion is carried out on the basis of comparison of the cumulative effect of various options of foreign economic cooperation of the enterprise and the total costs associated with its implementation [50].

The assessment of the economic efficiency of the FTO should be formulated based on the purpose of the enterprise, which must be realized over a certain period. Such activity is the result of a certain system. Economic efficiency is a characteristic of the level of achievement of the goals during a specific time period, the degree of obtaining the planned result of the system, considering the influence of internal and external factors.

Approaches to the assessment of the effectiveness of enterprises-subjects of foreign economic activity can be characterized by the features given in Table. 1.7.

Table 1.7

Characteristics of approaches to the assessment of the efficiency of foreign trade operations of the enterprise

Classification attribute	Indicator	Characteristics of the approach
Type of FTO	Efficiency of export, import, re-export, reimport	profitability of a certain type of foreign trade operation
Degree of volume of object	Integral effectiveness	the effectiveness of foreign trade operations in the enterprise as a whole
	Local effectiveness	efficiency of commercial relations with individual foreign trade partners; efficiency of foreign trade agreements
Evaluation method	Absolute efficiency	the efficiency of foreign trade operations confirmed by the whole set of indicators of evaluation
	Relative efficiency	efficiency of foreign trade operations confirmed by selected number of indicators of evaluation

Sources: structured by author [41; 53; 55].

The research of methodological approaches to evaluating the effectiveness of enterprises-subjects of foreign economic activity found that in modern economic science dominate two approaches [51].

The first is based on the calculation of the overall performance indicator of the enterprise-entity of foreign economic activity - profitability of the FTO.

The second approach is to calculate the effectiveness of individual concluded foreign trade agreements. However, existing methodological approaches do not allow to carry out a comprehensive assessment of the effectiveness of the enterprises of the subjects of foreign economic activity, to analyze the influence of the factors that accompany the activities of enterprises in the domestic and foreign markets, to identify and assess the reserves for improving their foreign economic activity [58].

Calculation of indicators of activity of enterprises-subjects of foreign economic activity can be carried out in stages in the following directions: import and export of goods, commodity groups; trade with individual countries and groups of countries; trade in cash or in credit; joint ventures or other forms of international cooperation [53].

It should be borne in mind that the calculation of performance indicators requires compliance with the following principled methodological provisions [23]:

- the principle of comprehensive accounting of all components of costs and results, which involves the qualitative classification and reproduction of relevant indicators in the documents operational, statistical and accounting;
- the principle of cost-benefit compilation, which shows that comparable metrics must be reproduced in the same quantitative units and be of an antonymic nature in the economic sense. When constructing an efficiency indicator, the numerator and denominator of the latter should exclude possible duplication of the constituent elements;
- the principle of comparison with the basic version, which reproduces the essence of the use of performance indicators for conducting economic analysis, conducted not only to describe the current state of the business entity, but also to work out proposals for improving the economic situation that has developed in the analyzed period.

Since the most common types of activity of enterprises-subjects of foreign economic activity is the implementation of the FTO, the determination of the

efficiency of import and export operations is one of the main directions of improving the activities of enterprises-subjects of foreign economic activity [29].

Indicators of economic efficiency of the subject enterprise of foreign economic activity are divided into [24]:

- indicators of the effect, defined as absolute values and reproduced in monetary units as the difference between the results of the activity and the costs of its implementation;
- performance indicators, which are defined as the ratio of profit from the enterprise to the costs of its implementation and are reproduced relative values: percentages, units of a unit.

The “effect” and “efficiency” represent the growth and development of an economic object namely its ability to progressive quantitative changes that are expressed in terms of volume. The strongest is the connection between these categories with the notion of development and qualitative changes inherent in it, through which the desired result is most often achieved. Economic growth may not reflect the use of intensive factors, but rather take place at the expense of increased resources [15].

However, there are significant differences between the “effect” and “efficiency” categories. “Effect” is a reflection of the result of activity, that is, the state to which the economic entity seeks. The concept of “effect” and “result” can be called identical. “Efficiency”, in contrast to the “effect”, takes into account not only the result of the activity, but also the conditions under which it has been achieved [22].

However, there are significant differences between the "effect" and "efficiency" categories. "Effect" reflects the result of activity, that is, the state to which the economic entity seeks. The concept of "effect" and "result" can be called identical. "Efficiency", in contrast to the "effect", takes into account not only the result of the activity, but also the conditions under which it has been achieved.

To determine the effectiveness of the enterprise-entity of foreign economic activity it is important to know the currency efficiency of exports and imports. The indicator of currency efficiency of any FTO first of all characterizes the purchasing power of the currency, its rate [32]. Currency efficiency of export ($E_{c.e}$) is calculated by the formula:

$$(1.1) \quad E_{c.e} = \frac{\sum_{i=1}^m E_{c.e} * Q_i}{\sum_{i=1}^m P_e * Q_i}$$

where $E_{c.e}$ – foreign price I- exported good, cur./pcs;

Q_e – export volume I-good(service), unit.;

P_e – production and selling expenses per unit i-good, UAH/pcs,

m – quantity of names (brands) of exported goods.

Currency efficiency of imports ($E_{c.i}$) is calculated by the formula:

$$(1.2) \quad E_{c.i} = \frac{\sum_{i=1}^n P_d * Q_i}{\sum_{i=1}^n P_i * Q_i}$$

where P_d – price of j-good in domestic market, UAH. /pcs.;

Q_i – volume of import j-good, unit;

P_i – Currency price (purchasing price) per j-good, cur./pcs.;

n – quantity of names (brands) of imported goods.

To assess the profitability of an export (import) operation, it is necessary to compare these indicators (coefficients) with a certain base. Basis of comparison, as a rule, is the exchange rate. If the coefficient of currency efficiency exceeds the value of the currency, then foreign trade activity is considered effective. In this case, the basis for comparison for the currency efficiency of exports should use the inverse exchange rate (indirect quotation), and for the currency import efficiency - the ordinary exchange rate (direct quotation) [50].

Indicators that characterize the profitability of a company FTO, it is expedient to calculate before the conclusion of foreign trade agreements, in the planning of foreign trade activities, as well as in order to assess the effectiveness of export and import operations for the previous period [52].

Effectiveness of enterprise export ($E_{ef.e}$) calculated by the formula:

$$E_{ef.e} = R_e / CE \quad (1.3)$$

where R_e – revenues from exports, calculated by transferring currency earnings in UAH at the rate of the National Bank of Ukraine on the day of receipt of foreign exchange earnings;

CE – total enterprise costs on export, UAH.

The indicators of export performance indicate how efficiently an enterprise conducts its foreign economic activity. If this indicator is more than one and higher than the indicator of domestic sales efficiency, then the sale of goods in the foreign market will be more profitable compared to domestic sales.

Effect of export (E_e) calculated by the formula [57]:

$$E_e = R_e - CE \quad (1.4)$$

To characterize the import activity of the enterprise indicators are used: the economic effect of imports, the economic efficiency of imports. The economic effect of imports (E_i) is calculated by the formula [57]:

$$E_i = W_i - C_i \quad (1.5)$$

where W_i – the worth of imported goods in domestic markets, UAH.

C_i – purchasing costs for imported goods, UAH.

Economic effect from import ($E_{ef.i}$) calculated by formula [57]:

$$E_{ef.i} = W_i / C_i \quad (1.6)$$

Thus, the economic efficiency of the enterprise's foreign economic activity is expedient to determine, based on the actual performance of a separate operation in the foreign economic activity of the enterprise, as it is a practical continuation of the implementation of the relevant business operation by the enterprise.

Hence, the optimal choice of the way to enter the external market should be such that the cost of its implementation was not higher than the average cost of any possible situation in the market in the future [55].

Effective implementation of FTO is the main condition for the enterprise-entirety of foreign economic activity. Enterprises often suffer significant losses as a result of insufficient technical and economic justification of the effectiveness of the FTO, their lack of evaluations of the choice of the currency of the price, the currency of payment and other financial terms of the transaction [27].

Effective development of activity of enterprises-subjects of foreign economic activity should be based, first of all, on the adaptation of the strategy of enterprises to the requirements of the international market. Thus, the creation of a perfect system for assessing the results of export-import operations, the level of which is characterized by the effectiveness of their implementation, is an important condition for the successful operation of the enterprise, where the foreign economic activity is the main activity [28].

Conducting FEA, business executives are obliged to analyze the effectiveness of FTO. In order to achieve the greatest economic effect from the FTO, it is necessary to develop the production of export products, which permits the highest currency earnings per unit of expenditure, and to import those goods whose actual production would cause the largest cost per unit of invested foreign currency.

The analysis of the economic efficiency of the FTO is carried out to substantiate the proposal on the sale and purchase of goods, the evaluation of the structure, directions of the foreign trade turnover of the enterprise. Thus, the

indicators of FTO performance and their analysis allow us to identify the benefits of import and export operations.

Conclusions to part 1

Summarizing the scientific approaches to the definition of the concept of “foreign trade operation”, can be concluded that the foreign trade operation is a set of actions of a domestic subject of foreign economic activity and a foreign subject of economic activity, which falls under the definition of one of the types of foreign economic activity, stipulated by the Law of Ukraine “On Foreign Economic activity”, and includes completed one-time transfer of goods (performance of works, provision of services) and completed settlements (in cash, goods and in other forms) for this one-time specific transfer of goods (performance of work, providing services).

FTOs effectiveness is a resulting characteristic of the FMA management mechanism. The activity of the FMA management mechanism is provided by a balanced system of goals, objectives, management functions, approaches and methods, factors and criteria for assessing the effectiveness of management. The advantages of the mechanism are the direct interconnection of all elements, which determines its full-working at all stages of cyclical development, and the change of any stage determines the need for implementation of transformations, which ensures the mechanism self-development. These advantages characterize the mechanism as flexible; reasonableness; objective; consistent; informative; efficient; integrated and cyclical.

The structural model of the FMA management mechanism can justify the need for a combination of internal control and external evaluation of the company's exit efficiency to external markets based on a comparison of the actual values of the valuation indicators with their normative level.

The evaluation of the effectiveness of the FMO is carried out to substantiate the proposal for the sale and purchase of goods, the evaluation of the structure, directions of the foreign trade turnover of the enterprise. The performance

indicators of the FTO enterprises and their analysis allow us to identify the benefits of import and export operations. A system approach is used to assess the effectiveness of a FTO, which provides an opportunity to carry out a comprehensive analysis of any type of FTO. The criterion of effectiveness is the maximum net income from the implementation of the FTO.

PART 2

EVALUATION OF THE EFFECTIVENESS OF FOREIGN TRADE OPERATIONS OF ALC "MUKACHEVO MACHINE-BUILDING PLANT»

2.1. Analysis of financial and economic activity of ALC "Mukachevo machine-building plant"

Business address: Transcarpathian region. Mukachevo district, urban village Kolchino Str. Fridyashivska 1.

According to the statute ALC "Mukachevo machine-building plant" registered Mukachevo district state administration of the Transcarpathian region 30.03.1994 №1315145000001154, and information for inclusion in the Unified State Register of enterprises organizations for №05723430 15.05.1997 issued by the Kyiv City State Committee of Statistics Department statistics of Ukraine, enterprise activities is CTEA [72]:

- 28.41 Manufacture of metal-working machines (basic)
- 28.49 Manufacture of other machine tools
- 24.10 Manufacture of basic iron steel and of ferro-alloys
- 25.11 Manufacture of metal structures and parts of structures
- 68.20 renting and operating of own or leased real estate
- 38.31 Dismantling (disassembly) of machinery and equipment
- 38.32 recovery of sorted waste

Form of ownership – collective.

Analyze the financial results of the investigated enterprise (tab. 2.1).

During the study period, the net income from the sale of products of ALC "Mukachevo machine-building plant" increased by 30833 thousand UAH

(3.3 times). At the same time, the cost of sales (goods, works, services) increased by 27,466 thousand UAH (3.6 times).

Table 2.1

The dynamics of financial performance ALC "Mukachevo machine-building plant", 2013-2017, UAH thou.

Article	2013	2014	2015	2016	2017	The absolute deviation					The relative deviation%				
						2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
Net income from sales of products (goods and services)	13449	12122	32733	38776	44282	-1327	20611	6043	5506	30833	90	270	118	114	329
Cost of products (goods and services)	10548	8682	27168	33072	38014	-1866	18486	5904	4942	27466	82	313	122	115	360
Gross profit	2901	3440	5565	5704	6268	539	2125	139	564	3367	119	162	102	110	216
Other operating income	12119	2010	1798	1408	1495	-10109	-212	-390	87	-10624	17	89	78	106	12
Administrative expenses	2192	2393	3466	4770	4956	201	1073	1304	186	2764	109	145	138	104	226
Selling expenses	311	143	255	293	302	-168	112	38	9	-9	46	178	115	103	97
Other operating expenses	11579	2517	3329	1960	2050	-9062	812	-1369	90	-9529	22	132	59	105	18
Financial result from operating activities: Profit	938	397	313	89	455	-541	-84	-224	366	-483	42	79	28	511	49
Other financial income	–	581	–	2	4	581	-581	2	2	4	–	–	–	200	–
Other income	13	107	89	153	165	94	-18	64	12	152	823	83	172	108	1269
Financial expenses	103	177	277	53	56	74	100	-224	3	-47	172	156	19	106	54
Other expenses	13	96	9	–	–	83	-87	-9	0	-13	738	9	–	–	–
Financial result before taxation Income	835	812	116	191	568	-23	-696	75	377	-267	97	14	165	297	68
Expenses (income) income tax	8	20	56	36	102	12	36	-20	66	94	250	280	64	283	1275
Net financial result: profit	827	792	60	155	466	-35	-732	95	311	-361	96	8	258	301	56

Source: calculated by the author according to Appendix A.

As a result, the gross profit of the company increased by 3367 thousand UAH (2.2 times). The company's expenses were: administrative expenses, which increased by 2764 thousand UAH (2.3 times), sales costs, which decreased by 9 thousand UAH (3%) and other operating expenses – a decrease of 9529 thousand UAH (82%).

The financial result from operating activities during 2013-2017 decreased by UAH 483 thousand (by 51%). As a result of activity of ALC "Mukachevo machine-building plant" the net financial result in the form of profit decreased by 361 thousand UAH (1,8 times).

Consider the dynamics of the company's assets, that is, resources controlled by the company as a result of past events, the use of which will lead to an increase in economic benefits in the future (table. 2.2).

Non-current assets of ALC "Mukachevo machine-building plant" are material and intangible resources owned by the enterprise and ensuring its functioning and useful life of which is expected to be more than one year. Non-current assets of ALC "Mukachevo machine-building plant" during 2013-2017 increased by 3865 thousand. UAH (1.5 times). The increase was due to the increase in the value of fixed assets by 3808 thousand UAH (1.7 times). The cost of other financial investments did not change during the study period and amounted to UAH 1970 thousand.

To current assets ALC "Mukachevo machine-building plant" owned by the funds not restricted in use, as well as other assets intended for sale or consumption within operating cycle or twelve months from the balance sheet date.

Current assets of the company increased by 671 thousand UAH (9%). Increased value of inventories – 1717 thousand UAH (in 4.3 times), accounts receivable for settlements with the budget – 1056 thousand UAH (2.8-fold), reserves of 483 thousand UAH (18%).

Table 2.2

Dynamics of assets ALC "Mukachevo machine-building plant", 2013-2017, UAH thou.

Article	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	The absolute deviation					The relative deviation%				
						2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
<i>I. Non-current assets</i>															
Intangible assets	4	10	9	7	6	6	-1	-2	-1	2	250	90	78	86	150
Initial value	6	12	12	12	12	6	0	0	0	6	200	100	100	100	200
Accumulated depreciation	2	2	3	5	6	0	1	2	1	4	100	150	167	120	300
Incomplete capital investments	795	795	880	879	850	0	85	-1	-29	55	100	111	100	97	107
Fixed assets	5851	5234	5336	8961	9659	-617	102	3625	698	3808	89	102	168	108	165
Initial value	21027	20872	12883	17144	18231	-155	-7989	4261	1087	-2796	99	62	133	106	87
Wear	15176	15638	7547	8183	8572	462	-8091	636	389	-6604	103	48	108	105	56
Other financial investments	1970	1970	1970	1970	1970	0	0	0	0	0	100	100	100	100	100
<i>Total for Section I</i>	<i>8620</i>	<i>8009</i>	<i>8195</i>	<i>11817</i>	<i>12485</i>	<i>-611</i>	<i>186</i>	<i>3622</i>	<i>668</i>	<i>3865</i>	<i>93</i>	<i>102</i>	<i>144</i>	<i>106</i>	<i>145</i>
<i>II. Current assets</i>															
Reserves	2720	4108	2738	3688	3203	1388	-1370	950	-485	483	151	67	135	87	118
Inventories	514	667	1396	2599	2231	153	729	1203	-368	1717	130	209	186	86	434
Unfinished production	1942	3330	1208	1027	912	1388	-2122	-181	-115	-1030	171	36	85	89	47
Final product	185	65	62	62	60	-120	-3	0	-2	-125	35	95	100	97	32
Goods	79	46	-	-	-	-33	-46	0	0	-79	58	0	-	-	-
Accounts receivable for products, goods, works, services	1383	664	553	185	180	-719	-111	-368	-5	-1203	48	83	33	97	13
Receivables calculations: the advances paid	1327	1320	1187	1782	1023	-7	-133	595	-759	-304	99	90	150	57	77
the budget	596	877	1998	1869	1652	281	1121	-129	-217	1056	147	228	94	88	277
including income tax	-	-	2	23	-	0	2	21	-23	0	-	-	1150	-	-
Other current receivables	609	666	718	661	649	57	52	-57	-12	40	109	108	92	98	107
Money and cash equivalents	835	198	2127	794	798	-637	1929	-1333	4	-37	24	1074	37	101	96
Cash	-	-	2	1	-	0	2	-1	-1	0	-	-	50	0	-
Bank accounts	835	198	2125	793	798	-637	1927	-1332	5	-37	24	1073	37	101	96
Prepaid expenses	-	-	-	959	-	0	0	959	-959	0	-	-	-	-	-
Other current assets	34	141	257	648	670	107	116	391	22	636	415	182	252	103	1971
<i>Total section II</i>	<i>7504</i>	<i>7974</i>	<i>9578</i>	<i>10586</i>	<i>8175</i>	<i>470</i>	<i>1604</i>	<i>1008</i>	<i>-2411</i>	<i>671</i>	<i>106</i>	<i>120</i>	<i>111</i>	<i>77</i>	<i>109</i>
Balance	16124	15983	17773	22403	20660	-141	1790	4630	-1743	4536	99	111	126	92	128

Source: calculated by the author according to Appendix B.

Other current assets increased by UAH 636 thousand (19.7%). At the same time decreased the cost of such items of the balance sheet as: work in progress – 1030 thousand UAH (53%), accounts receivable for products, goods, works, services-1203 thousand. UAH (7.7 times), accounts receivable on advances - 304 thousand UAH (23%), other current accounts receivable – 37 thousand UAH (4%), finished products – 125 thousand UAH (3.1 times), goods – 79 thousand UAH.

Consider the sources of formation of assets of the enterprise, which are reflected in the balance sheet (table. 2.3).

A positive trend in the activities of the enterprise is an increase in equity by 573 thousand UAH (19%) due to uncovered loss. The amount of registered (share) capital and additional capital during the study period remained unchanged – at the level of 600 thousand UAH and 11447 thousand UAH, respectively.

The company had no long-term obligations and provisions during the study period. As part of current liabilities and collateral, the value of current accounts payable on advances received increased by UAH 8185 thousand (13.2 times), other current liabilities – by UAH 537 thousand (2.4 times) and current collateral – by UAH 10 thousand.

At the same time, the cost of short – term loans to banks decreased-by 2757 thousand UAH, current accounts payable for goods, works and services-by 667 thousand UAH (45%), settlements with the budget – by 431 thousand UAH. UAH (9 times), calculations on insurance – 745 thousand UAH (15.3 times), calculations on compensation – 169 thousand UAH (34%).

In General, the balance of the company increased by 4536 thousand UAH (28%).

For a more detailed analysis of financial and business enterprises calculate system performance, liquidity, business activity, solvency and profitability.

Table 2.3

Dynamics of liabilities ALC "Mukachevo machine-building plant", 2013-2017, UAH thou.

Article	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	The absolute deviation					The relative deviation%				
						2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
<i>I. Equity</i>															
Registered (share) capital	600	600	600	600	600	0	0	0	0	0	100	100	100	100	100
Additional capital	11447	11447	11447	11447	11447	0	0	0	0	0	100	100	100	100	100
Uncovered loss	2988	2542	2538	2360	2415	446	4	178	-55	573	85	100	93	102	81
<i>Total for Section I</i>	<i>9059</i>	<i>9505</i>	<i>9509</i>	<i>9687</i>	<i>9632</i>	<i>446</i>	<i>4</i>	<i>178</i>	<i>-55</i>	<i>573</i>	<i>105</i>	<i>100</i>	<i>102</i>	<i>99</i>	<i>106</i>
<i>III. Current liabilities and ensuring</i>															
Short-term Bank loans	2757	1928	865	-	-	-829	-1063	-865	0	-2757	70	45	0	-	0
Current accounts payable for goods, works, services	1479	965	814	748	812	-514	-151	-66	64	-667	65	84	92	109	55
calculations with the budget	485	860	588	56	54	375	-272	-532	-2	-431	177	68	10	96	11
including income tax	-	7	-	-	-	7	-7	-	-	-	-	-	-	-	-
Insurance settlements	797	1040	500	81	52	243	-540	-419	-29	-745	130	48	16	64	7
calculation of wages	499	395	499	379	330	-104	104	-120	-49	-169	79	126	76	87	66
on advances received	669	886	4526	10522	8854	217	3640	5996	-1668	8185	132	511	232	84	1323
Current collateral	-	-	310	12	10	0	310	-298	-2	10	-	-	4	83	-
Other current liabilities	379	404	162	918	916	25	-242	756	-2	537	107	40	567	100	242
<i>Total section III</i>	<i>7065</i>	<i>6478</i>	<i>8264</i>	<i>12716</i>	<i>11028</i>	<i>-587</i>	<i>1786</i>	<i>4452</i>	<i>-1688</i>	<i>3963</i>	<i>92</i>	<i>128</i>	<i>154</i>	<i>87</i>	<i>156</i>
Balance	16124	15983	17773	22403	20660	-141	1790	4630	-1743	4536	99	111	126	92	128

Source: calculated by the author according to Appendix B.

The results of calculations of liquidity and solvency ALC "Mukachevo machine-building plant" is given in Table. 2.4.

Table 2.4

**Dynamics of liquidity solvency ALC "Mukachevo machine-building plant",
2013-2017**

Indexes	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	The absolute deviation				
						2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
<i>Indicators of liquidity</i>										
Total liquidity ratio	1,062	1,231	1,159	0,832	0,741	0,169	-0,072	-0,327	-0,091	-0,321
The quick ratio	0,677	0,597	0,828	0,542	0,451	-0,08	0,231	-0,286	-0,091	-0,226
Absolute liquidity ratio	0,118	0,031	0,257	0,062	0,072	-0,087	0,226	-0,195	0,01	-0,046
Net working capital, UAH thou.	439,0	1496,0	1314,0	-2130,0	-2853,0	1057	-182	-3444	-723	-3292
<i>Indicators of solvency</i>										
The coefficient of autonomy	0,562	0,595	0,535	0,432	0,466	0,033	-0,06	-0,103	0,034	-0,096
Ratio of financing	0,780	0,682	0,869	1,313	1,145	-0,098	0,187	0,444	-0,168	0,365
Coefficient of self-sufficiency in working capital	0,059	0,188	0,137	-0,201	-0,349	0,129	-0,051	-0,338	-0,148	-0,408
The flexibility ratio of own capital	0,048	0,157	0,138	-0,220	-0,296	0,109	-0,019	-0,358	-0,076	-0,344

Source: calculated by the author according to Appendix B.

The total liquidity ratio during 2013-2017 decreased by 0.321 points and amounted to 0.741, which indicates the inability of the company to repay current (short-term) obligations at the expense of current assets only. The quick ratio decreased by 0.226 points to 0.451 in 2017, indicating that the company was unable to repay its short-term liabilities by selling liquid assets. The absolute liquidity ratio indicates that only in 2015 the company was able to repay current

(short-term) liabilities from cash, current accounts and short-term financial investments, but in 2017 it does not have such an opportunity due to the decrease in the value of this indicator. The decrease in net working capital indicates a decrease in the company's potential reserve.

The coefficient of autonomy indicates the inability of the company in 2016-2017 to cover its liabilities with current assets (in 2013-2015, the company had such an opportunity). The funding ratio indicates that during 2013-2015, the activities of the Mukachevo machine-building plant were financed by the enterprise, but since 2016, the financing of activities is carried out mainly at the expense of attracted funds. A similar trend is demonstrated by the coefficients of self-sufficiency in working capital and maneuverability of equity: in 2013-2015, the company was sufficiently provided with its own working capital necessary for its financial stability, but in 2016-2017 the financial stability of the enterprise deteriorated.

Dynamics of indicators of business activity and profitability of ALC "Mukachevo machine-building plant" is given in the table 2.5.

Table 2.5

The evolution of the business activity and ALC profitability
ALC "Mukachevo machine-building plant", 2013-2017

Indexes	2014	2015	2016	2017	The absolute deviation			
					2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2014
<i>Indicators of business activity</i>								
The asset turnover ratio	0,755	1,939	1,930	2,057	1,184	-0,009	0,126	1,302
The coefficient of accounts receivable turnover	3,258	8,201	8,662	11,069	4,943	0,461	2,407	7,811
The ratio of accounts payable turnover	2,737	5,625	3,918	3,733	2,888	-1,707	-0,185	0,996
Maturity of accounts receivable, days	110,507	43,899	41,560	32,523	-66,608	-2,339	-9,037	-77,984
Maturity of accounts payable, days	131,533	64,003	91,880	96,427	-67,529	27,877	4,547	-35,106
The turnover ratio of inventories	2,543	7,937	10,293	11,033	5,394	2,356	0,740	8,490
Capital productivity	0,579	1,939	2,583	2,504	1,361	0,643	-0,079	1,925
The turnover ratio of	1,306	3,443	4,040	4,584	2,137	0,597	0,544	3,278

equity capital								
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End of the table. 2.5

Indexes	2014	2015	2016	2017	The absolute deviation			
					2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2014
<i>Profitability index</i>								
Return on assets ratio	0,049	0,004	0,008	0,022	-0,046	0,004	0,014	-0,028
The ratio of return on equity	0,085	0,006	0,016	0,048	-0,079	0,010	0,032	-0,037
The coefficient of profitability	0,065	0,002	0,004	0,011	-0,064	0,002	0,007	-0,055
The coefficient of profitability of products	0,081	0,060	0,017	0,023	-0,021	-0,043	0,007	-0,057

Source: calculated by the author according to Appendices A, B.

Asset turnover, receivables and payables turnover ratios indicate an acceleration in the speed of current assets and the repayment of receivables and payables, which is a positive trend for the company. Thus, the maturity of accounts receivable during 2013-2017 decreased from 110 to 32 days, the payables – from 131 to 96 days.

The turnover rates of inventories and equity decreased, which indicates the acceleration of the resumption of stocks of raw materials, materials and finished products, as well as improving the efficiency of the use of fixed assets by the enterprise.

The values of return on assets and equity ratios have decreased, indicating the inability of the company's management to effectively use its assets and capital for profit. Also, the coefficients of profitability and profitability of production show that the amount of profit that the company will receive per unit cost of capital is reduced.

2.2. Practice of management of efficiency of foreign trade operations at ALC «Mukachevo machine-building plant»

Foreign economic activity is an integral part of the operating activities of the "Mukachevo machine-building plant", which involves the export of products to foreign markets. According to the Charter, the company independently carries out foreign economic activity in accordance with the legislation of Ukraine.

Management of efficiency of foreign trade operations of "Mukachevo machine-building plant" is part of the overall management of the enterprise. Management analysis of foreign economic activity relates to the overall external strategy of the enterprise, which is the main reference point in the organization of management of foreign economic activity of "Mukachevo machine-building plant". Common to internal and external analysis are also the principles and functions of management, decision-making technology, basic management methods, etc. However, it should be noted that the management analysis of foreign economic activity has its own specific features. This is due to the features of the control object.

When managing the efficiency of foreign trade operations, the Mukachevo machine-building plant uses a functional approach. In particular, the study company allocate planning, organization and control of foreign trade.

Motivation, as a function of management, is reflected in the overall structure of management analysis and implementation of management decisions and applies to all departments of the ALC "Mukachevo machine-building plant" regardless of aspects of their activities, including foreign economic.

While planning foreign trade operations, ALC "Mukachevo machine-building plant" determines the purpose of foreign trade as an integral part of the overall system of internal planning. Analysis of the function planning of foreign trade transactions of the enterprise starts with determining the attractiveness of exports, foreign exchange risks are studied, carried out research in the overseas

market, assess directions for the implementation of the FEA. The result is the development of a foreign economic strategy for foreign markets. It is also important to substantiate the expediency of concluding foreign trade contracts: study of foreign trade transactions; determination (taking into account various factors) of export prices, as well as forms of calculations and payments, methods and routes of transportation of goods.

Organization of foreign trade on the ALC "Mukachevo machine-building plant" is engaged in the Department of foreign economic relations, which is part of the management apparatus. Its main task is the management of foreign trade as an element of a single integrated system of internal management. Therefore, the management analysis of the ALC "Mukachevo machine-building plant" is carried out on the basis of the evaluation of the Department of foreign economic relations, responsible for the transportation of goods, customs clearance, General organization and coordination of foreign trade.

The task of the analysis of regulation of foreign economic activity on ALC "Mukachevo machine-building plant" is the constant account of changes in the organization of process of production and sale of production abroad as a result of influence of objective factors, maintenance and improvement of a condition of an orderliness of administrative object. For example, changes in the provision of material and labor resources, the adverse impact of changes in the international competitive environment and the like.

Foreign trade control at the ALC "Mukachevo machine-building plant" provides for the definition of the execution of foreign trade contracts: assessment of rational use of resources, analysis of deviations and adjustment of processes, and the like. It is aimed at studying the processes of export of products; measures and actions taken during the implementation of foreign trade operations. The purpose of control is to prepare data for operational decision-making during the implementation of foreign economic operations.

On the basis of management functions, the management of the Mukachevo machine-building plant makes management decisions that ensure the achievement

of the planned goals with maximum resource savings. Using these approaches, namely, the systematic use of management functions in the organization of effective management of foreign economic activity, ALC "Mukachevo machine-building plant" achieves its goal-to obtain the maximum possible profit in the shortest time, increasing the degree of turnover of money, reducing costs, the amount of technological, financial and other resources.

For aig. 2.1. features of formation of the management decision of ALC "Mukachevo machine-building plant" at implementation of foreign trade operations are presented.

As seen in Fig. 2.1 the functional approach to management of foreign economic activity of the enterprise is the basis of formation of the management decision at implementation of foreign trade operations of ALC "Mukachevo machine-building plant".

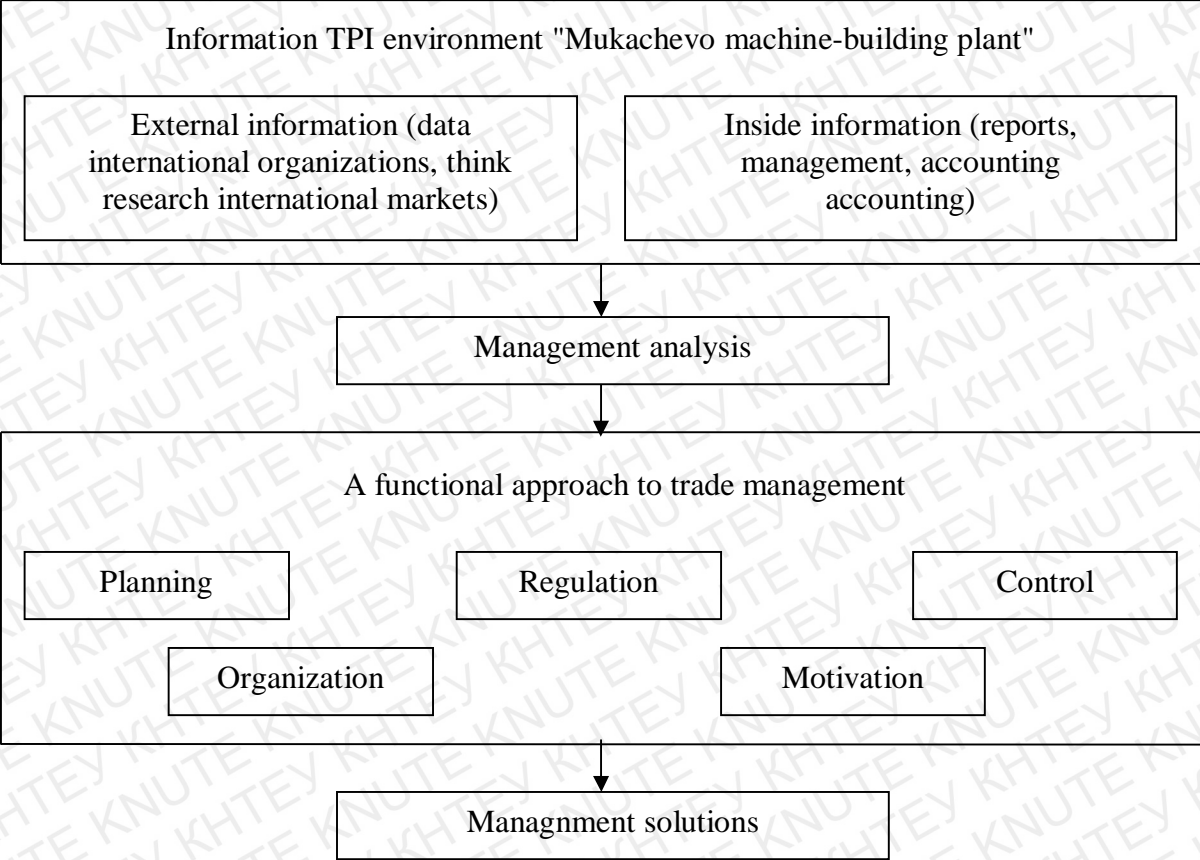


Fig. 2.1. Formation of the management decision of the ALC "Mukachevo machine-building plant" in the implementation of foreign trade operations

Source: calculated by the author.

Management analysis of foreign economic activity requires the use of complete and accurate information that ALC "Mukachevo machine-building plant" receives from external sources: periodicals, consulting agencies and internal sources: various types of accounting, reporting of the enterprise.

For decision-making and implementation of management functions of ALC "Mukachevo machine-building plant" has the accurate debugged system of communications and the economic analysis which provides the enterprise of management information.

In addition, the ALC "Mukachevo machine-building plant" uses factual and reporting information. The factual information includes:

- accounting: the accounting records (cards operating account contracts; log books of accounts, journals, orders and the like);
- primary: contracts, contracts, quality certificates, bills of lading, acceptance certificates, guarantee letters of banks, bills of exchange, drafts and etc
- Not accounting: documents the decision (orders, directives, instructions, protocols); the results of scientific and marketing research.

The reporting information includes statistical and tax reporting of "Mukachevo machine-building plant".

All this is the basis for managing the effectiveness of foreign trade operations at the Mukachevo machine-building plant and substantiation of management decisions.

The organization of management of efficiency of foreign trade operations at the "Mukachevo machine-building plant" includes:

- assessment of export potential of the enterprise;
- monitoring of fulfillment of obligations on foreign trade operations;
- assessment of efficiency of foreign trade operations;
- analysis of creditworthiness and solvency of the counterparty under foreign trade contracts.

Specifics of management of efficiency of foreign trade operations are a peculiar lever of management in foreign economic activity of ALC "Mukachevo machine-building plant".

In the process of managing the effectiveness of foreign trade operations, the Mukachevo machine-building plant uses both complex and thematic analysis of foreign trade activities.

By means of the complex analysis experts of ALC "Mukachevo machine-building plant" study set of the indicators characterizing financial activity and financial position of the enterprise for a certain period. The results of the analysis are reflected in the annual and quarterly reports in the form of explanatory notes.

With the help of thematic analysis study of individual indicators of the enterprise: commercial and financial, currency, transport, or explore a certain range of functional issues within the same structure of the enterprise. This analysis is used by specialists of "Mukachevo machine-building plant" in the study of topical issues of the effectiveness of the implementation of various products in a particular market or a single product in different markets.

In the implementation of foreign economic activity of ALC "Mukachevo machine-building plant" faces a number of factors and conditions, the results of which will affect the management decision. Among them, an important place is occupied by the sales activity of the enterprise, the fulfillment of contractual conditions, the analysis of sales markets and marketing activities of the enterprise, the analysis of the international competitiveness of products.

A clear identification of the motives of the ALC "Mukachevo machine-building plant" entering the foreign market makes it possible to predict the type of foreign economic behavior of the enterprise, to specify the goals of entering a certain market, to develop an adequate strategy for entering the market or expanding activities on it, to optimize the enterprise management process, the international marketing complex, to minimize the cost of financial support, to balance possible organizational changes with the overall process of organizational development.

The following indicators are used to assess the effectiveness of foreign trade operations at the Mukachevo machine-building plant:

- absolute figures (export overheads, average balance);
- ratios (performance index, the coefficients of performance of obligations, return of funds from export operations);
- structure indicators (commodity, geographical, overhead);
- performance and efficiency effect exports.

The General scheme of management analysis of the effectiveness of foreign trade operations in the ALC "Mukachevo machine-building plant", taking into account the stages of its implementation is shown in Fig. 2.2.

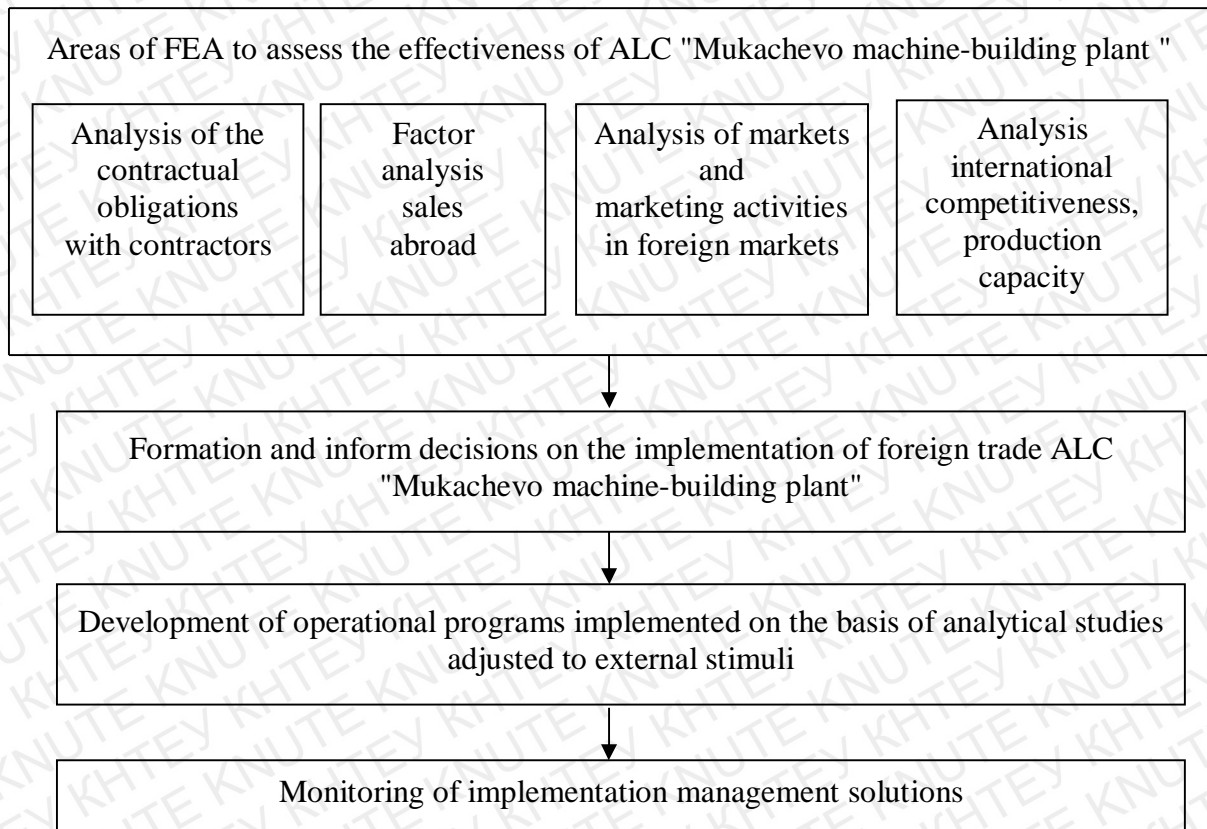


Fig. 2.2. Ways of management analysis of the effectiveness of foreign trade operations at the Mukachevo machine-building plant»

Source: calculated by the author.

It should be noted that the management of the efficiency of foreign trade operations at the "Mukachevo machine-building plant" is carried out in compliance with several principles (Fig. 2.3).

The principle of efficiency implies the organization of export operations with the least cost of resources, but not at the expense of its rationality and effectiveness. Comparison of various options of outputs and inputs gives the answer about the economic viability of exports.

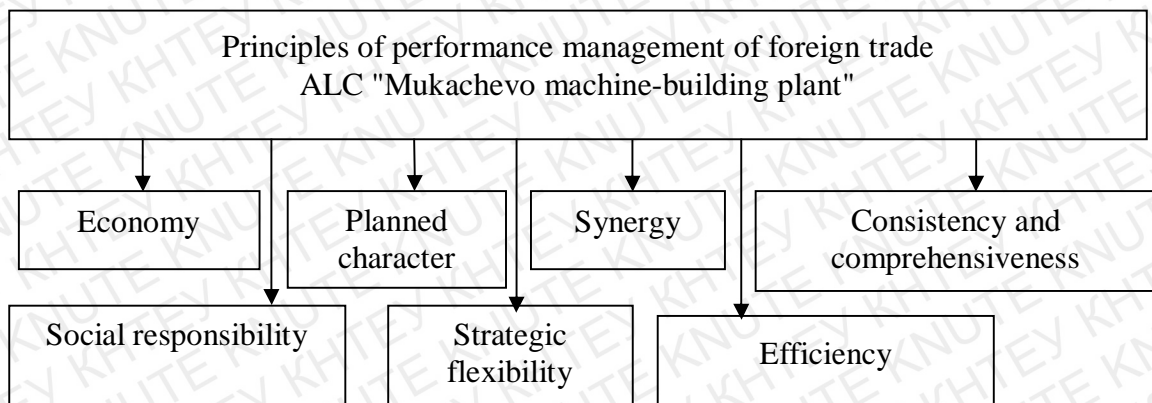


Fig. 2.3. Principles of performance management of foreign trade operations in ALC "Mukachevo machine-building plant"

Source: calculated by the author.

The principle of planning implies that changes should be prepared, managed and aimed at achieving the goal. This is achieved by setting for certain periods (year, quarter, month) directions and quantitative indicators of activity. The plan is considered as a set of economic and social tasks that the company must solve in the future.

The principle of synergy means that the range of goods produced by an enterprise must be internally linked and individual goods must complement each other. This principle provides a wide economy on the scale of the enterprise through mutual support of different product groups or areas of economic activity.

The principle of consistency and complexity requires the use of system analysis and comprehensive coverage of the sales system, taking into account all areas and features of the enterprise.

Social responsibility involves the construction of procedures for the organization of export operations that meet existing social goals, standards and form a positive image of the "Mukachevo machine-building plant".

The principle of strategic flexibility in achieving the goal or in maintaining the strategic position of the company in the market, first of all, means adapting the company to the special wishes of customers.

The principle of efficiency is the main requirement for the organization of export operations to ensure high efficiency (profitability) of the enterprise. Its quantitative certainty is expressed through performance indicators.

Consequently, the management of the efficiency of foreign trade operations at the "Mukachevo machine-building plant" is a rather complex process, as a result of which a management decision is formed. Taking into account the functional approach allows the management of the ALC "Mukachevo machine-building plant" to thoroughly work out certain activities and cover the entire sphere of foreign trade. The object of management of the effectiveness of foreign trade operations are not only the processes of exchange of products, but also cause-and-effect relations of the processes of foreign trade operations.

2.3. Evaluating the effectiveness of foreign trade ALC "Mukachevo machine-building plant"

The company is now a first-tier supplier of high-quality welded components and assemblies for European original equipment manufacturers (OEM). It fabricates serial products for such sectors as: road transport, railway transport, construction machinery, industrial equipment and other.

MMZ makes use of favorable geographical location for reliable fabrication delivery to Western Europe and material procurement from both Europe and Ukraine. MMZ factory is located in Mukachevo city, Western Ukraine, 30 km from Hungarian border and 260 km from Budapest.

MMZ fabricates serial products for such sectors as road and railway transport, construction machinery, industrial equipment and others. Types of fabrications are chassis frames, decks, ramps, various attachments, bogies, rail cars etc.

Production is 100% export oriented to Western Europe. Supplying world-known clients in Great Britain and Germany for years, enterprise also welcome prospects from France, Ireland, Benelux and Scandinavian countries. Due to dynamic growth and investment strategy enterprise constantly increases manufacturing capacities. Its long-term customers benefit from competitive prices and higher quality of fabricated components [72].

Consider how ALC "Mukachevo machine-building plant" carries out export operations. In General, the scheme of export operations of the enterprise is shown in Fig. 2.4. The first step for the implementation of foreign trade operations of "Mukachevo machine-building plant" is the decision to export. The decision is made directly by the Director of the company on the results of market research, which involves the analysis of all conditions that are important for the successful sale of goods. Market research at the "Mukachevo machine-building plant" is carried out in several stages:

- analysis of the external environment of "Mukachevo machine-building plant". This analysis examines macroeconomic indicators (economic, political, technological, socio-cultural factors) and microeconomic factors, such as market conditions and the competitive environment. Analysis of the external environment of the company includes analysis of the world market, so as not to lose sight of new trends, new competitors or new market opportunities;
- analysis of strengths and weaknesses of "Mukachevo machine-building plant". This is necessary to identify opportunities and challenges, as well as global trends. In addition, the company must determine its competitive advantage, be aware of the technological and resource capabilities of the enterprise, its potential sales and profits.

At the same stage, the effectiveness of the planned foreign trade operation is evaluated.

According to the results of the study, the ALC "Mukachevo machine-building plant" decides which foreign markets it will enter, and also determines the desired share of exports in this market. Typically, the studied enterprise concentrates its efforts on the promotion of goods in several foreign markets.

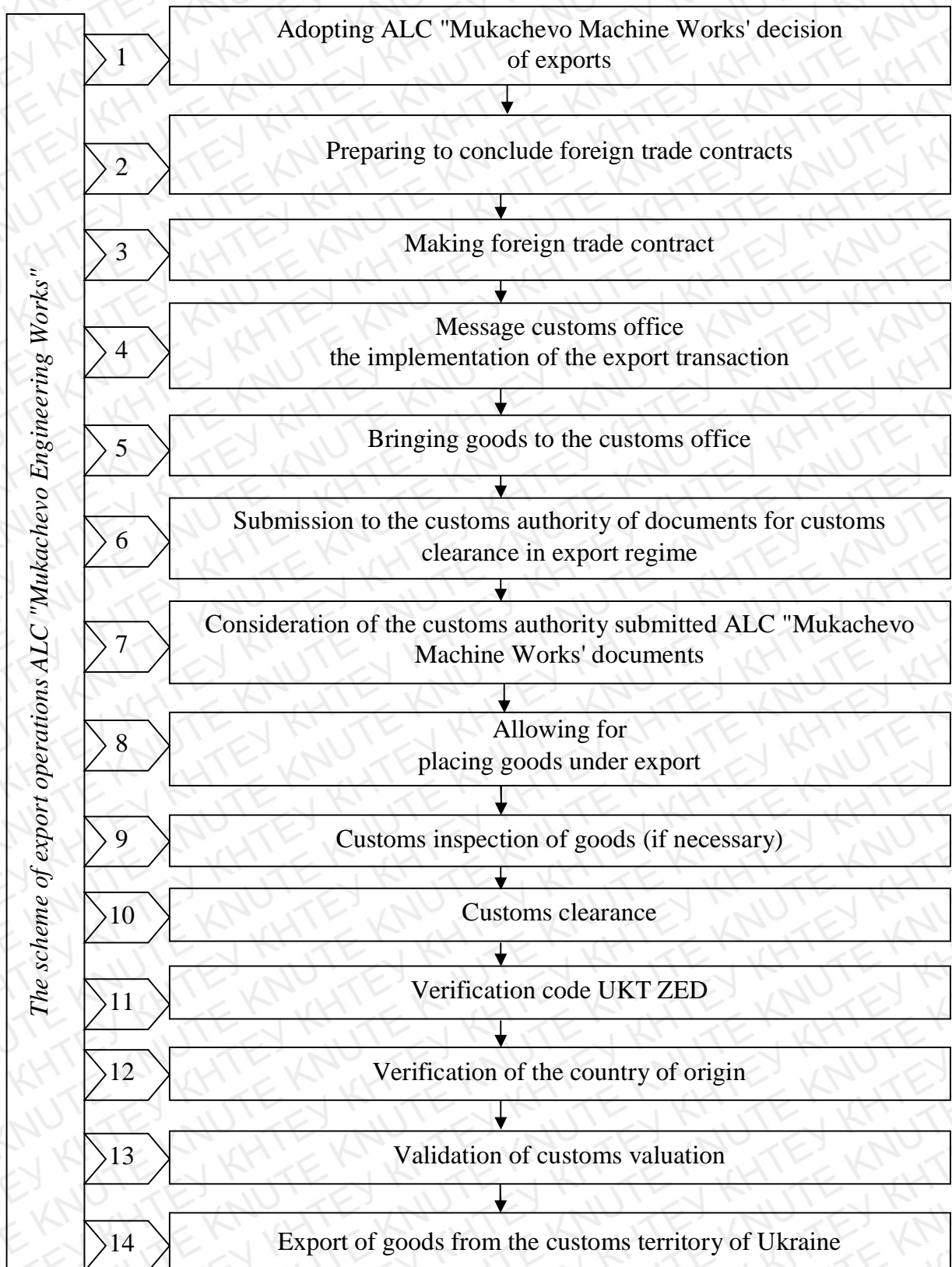


Fig. 2.4. General scheme of export operations
ALC "Mukachevo machine-building plant"

Source: compiled by the author according to ALC "Mukachevo machine-building plant"

The distinction between countries is made on the basis of such indicators as political stability, the level of infrastructure development, geographical factors.

The next step in the implementation of the export operation of the ALC "Mukachevo machine-building plant" is the conclusion of a foreign economic contract with a foreign enterprise that imports goods of the ALC "Mukachevo machine-building plant". This stage provides:

- establishing business relations with foreign partners;
- negotiation;
- preparation of offer/request;
- discussion of preliminary terms of the deal;
- drafting the contract;
- discussion and signing of the contract.

According to the contract (contract) of purchase and sale of ALC "Mukachevo machine-building plant" undertakes to deliver to the foreign buyer goods, to provide necessary documents concerning these goods, and also to transfer the property right to goods according to conditions of the foreign economic contract (contract).

In order to obtain permission to start foreign trade operations, the ALC "Mukachevo machine-building plant" informs in advance the relevant customs authority, which carries out customs clearance of goods, of its intention to export goods by submitting a preliminary notification to the customs authority. In this case, the customs authority is provided with a customs Declaration, which indicates the customs regime, the volume of the consignment, its value, information about the goods and the parties to the foreign economic contract (buyer and seller) and other necessary information. The customs authority determines the time and place of delivery of the goods specified in the documents for customs control and customs clearance.

After delivery of the goods to the customs clearance zone of the issuing customs authority, ALC "Mukachevo machine-building plant" shall submit to the

official, who will carry out customs clearance, a package of documents for the goods, which are exported, including documents confirming the right of ownership and/or disposal of certain goods, permits of the relevant state bodies. The customs authority shall review the package of documents submitted by the enterprise and decide in the form of a permit or refusal to carry out a foreign trade operation.

It should be noted that the products exported by AL "Mukachevo machine-building plant" are subject to radiological control, carried out in the customs authorities of departure or at checkpoints across the state border of Ukraine (export points outside the customs territory of Ukraine). Radiological control is carried out directly at the border by officials of the State Environmental Inspectorate of the Ministry of ecology and natural resources of Ukraine. Confirmation of the fact of implementation of radiological control is availability in shipping documents of the mark "Radiological control" or the mark "Environmental control".

So, to the standard package of documents that ALC "Mukachevo machine-building plant" submits for customs clearance, include the following:

- foreign economic agreement (contract), on the basis of which the export operation is carried out;
- certificate of origin;
- customs Declaration completed in export regime (EX 10);
- shipping and shipping documents (invoices, proforma invoices), packing lists, specifications, etc.);
- conclusion of the Ministry of ecology and natural resources of Ukraine on the implementation of radiological control.

If the package of documents complies with the rules and the official of the customs authority does not have additional questions and comments to the ALC "Mukachevo machine-building plant", permission is granted to carry out foreign trade transactions and the company presents the goods, which is directly the subject of the foreign economic contract, for customs clearance. If necessary, customs inspection of goods is carried out. The inspector of customs authority on

the reverse side of permission specifies date of registration, number of the customs Declaration, the name and quantity of the issued goods.

If the declared information about the goods completely coincides with the information obtained as a result of customs inspection, the documentary registration of goods in the export mode begins. The essence of the documentary registration is the verification of the information stated in the package of documents, namely: the HS code, the country of origin of the goods and the correctness of the customs value of the goods. If the HS code and customs value are determined incorrectly, they are corrected. If the HS code, country of origin and customs value are determined correctly – the goods are allowed to be exported outside the customs territory of Ukraine in the customs regime export.

Based on the results of the foreign trade operation, the actual efficiency of the export operation and comparison with the planned one are calculated, the causes of deviations are established, and the results are interpreted with the justification of the need for further implementation of the operation in a particular foreign market.

During 2013-2017, the volume of exports ALC "Mukachevo machine-building plant" has increased at 30833 thousand UAH (in 3.3 times).

Dynamics of export volumes are shown in table. 2.6.

The strategic countries with which ALC "Mukachevo machine-building plant" cooperates are Great Britain, Germany and Italy. Together, these three countries account for more than 45% of the company's exports.

It should be noted that during the studied period, the geography of exports ALC "Mukachevo machine-building plant" has expanded from 9 to 14 countries. In 2013-2017, exports increased to all countries except Spain, Sweden and Luxembourg.

The largest increase in exports occurred to countries such as the UK - 7342,6 thousand UAH, Germany – 4824,2 thousand UAH, Finland-4091,7 thousand UAH, Norway – 3644,4 thousand UAH and Italy to 3495,1 thousand UAH.

Table 2.6

Dynamics of export ALC "Mukachevo machine-building plant" by contracting countries, 2013-2017

Countries	The volume, ths. UAH					The absolute deviation, ths. UAH					The relative deviation,%				
	2013	2014	2015	2016	2017	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
United Kingdom	1535.9	2356.5	7168.5	7611.7	8878.5	820.6	4812.0	443.2	1266.8	7342.6	153.4	304.2	106.2	116.6	578.1
Germany	1911.1	1886.2	5908.3	6560.9	6735.3	-24.9	4022.1	652.6	174.4	4824.2	98.7	313.2	111.0	102.7	352.4
Italy	1132.4	1492.2	4615.4	4501.9	4627.5	359.8	3123.2	-113.5	125.6	3495.1	131.8	309.3	97.5	102.8	408.6
Finland	-	1214.6	1319.1	2931.5	4091.7	1214.6	104.5	1612.4	1160.2	4091.7	-	108.6	222.2	139.6	-
Austria	1689.2	1266.8	1675.9	2881.1	3861.4	-422.4	409.1	1205.2	980.3	2172.2	75.0	132.3	171.9	134.0	228.6
Norway	-	-	1047.5	2066.8	3644.4	-	1047.5	1019.3	1577.6	3644.4	-	-	197.3	176.3	-
France	1576.2	1334.6	2618.6	2590.2	3126.3	-241.6	1284.0	-28.4	536.1	1550.1	84.7	196.2	98.9	120.7	198.3
Denmark	-	-	883.8	2109.4	2718.9	-	883.8	1225.6	609.5	2718.9	-	-	238.7	128.9	-
Ireland	-	1109.2	-	-	2665.8	1109.2	-1109.2	-	2665.8	2665.8	-	-	-	-	-
Netherlands	1014.1	-	1702.1	2035.7	2435.5	-1014.1	1702.1	333.6	399.8	1421.4	-	-	119.6	119.6	240.2
Belgium	1089.4	-	-	1194.3	1496.7	-1089.4	-	1194.3	302.4	407.3	-	-	-	125.3	137.4
Sweden	-	-	1211.2	1562.7	-	-	1211.2	351.5	-1562.7	-	-	-	129,0	-	-
Spain	1482.1	1461.9	4582.6	1609.2	-	-20.2	3120.7	-2973.4	-1609.2	-1482.1	98.6	313.5	35.1	-	-
Luxembourg	2018.6	-	-	1120.6	-	-2018.6	-	1120.6	-1120.6	-2018.6	-	-	-	-	-
Total	13449.0	12122.0	32733.0	38776.0	44282.0	-1327.0	20611.0	6043.0	5506.0	30833.0	90.1	270.0	118.5	114,2	329.3

Source: calculated by the author.

The share of Great Britain in the total export structure of ALC "Mukachevo machine-building plant" increased significantly from 11.4 to 20.1 (table. 2.7).

Table 2.7

Dynamics geographical structure of exports ALC "Mukachevo machine-building plant" 2013-2017, %

Countries	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
United Kingdom	11.4	19.4	21.9	19.6	20.1	8.7
Germany	14.2	15.6	18.1	16.9	15.2	1.0
Italy	8.4	12.2	14.1	11.6	10.5	2.1
Finland	11.7	11.0	8.0	6.7	7.1	-4.6
Austria	7.5	-	5.2	5.3	5.5	-2.0
Norway	12.6	10.5	5.1	7.4	8.7	-3,9
France	-	10.0	4.0	7.6	9.2	9.2
Denmark	-	-	3.7	4.0	-	-
Ireland	-	-	3.2	5.3	8.2	8.2
Netherlands	-	-	2.7	5.4	6.1	6.1
Belgium	11.1	12.1	14.0	4.2	-	-11.1
Sweden	15.0	-	-	2.9	-	-15.0
Spain	8.1	-	-	3.1	3.4	-4.7
Luxembourg	-	9.2	-	-	6.0	6.0
Total	100.00	100.00	100.00	100.00	100.00	-

Source: calculated by the author.

Production which is made and exported by ALC "Mukachevo machine-building plant" is divided into sectors: automobile transport, railway transport, construction equipment, the industrial equipment and another. Dynamics of export volumes of "Mukachevo machine-building plant" by commodity structure are given in table. 2.8.

In the study period, exports increased for all sectors. The greatest growth occurred in the sector "industrial equipment and other" - 13172,4 thousand UAH. The growth was due to an increase in exports of all goods that belong to this sector: formwork (4050,3 ths. UAH), pallets (2612,6 ths. UAH), solar panel support (6509,5 ths. UAH). Also, significantly increased the volume of exports of the sector "road transport" - 10581,8 thousand UAH. This was mainly due to the increase in the volume of such goods: frame of car transporter (5302,9 ths. UAH), drawbar (3183,0 ths. UAH), decking (1731,9 ths. UAH).

Table 2.8

Dynamics of export ALC "Mukachevo machine-building plant" for the commodity structure, 2013-2017

Products	The volume, ths. UAH					The absolute deviation, ths. UAH					The relative deviation, %				
	2013	2014	2015	2016	2017	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013	2014 / 2013	2015 / 2014	2016 / 2015	2017 / 2016	2017 / 2013
<i>Road transport</i>	8459.4	8170.2	18592.3	25088.0	19041.2	-289.2	10422.1	6495.7	-6046.8	10581.8	96.6	227.6	134.9	75.9	225.1
Frame of car transporter	3066.4	3091.1	5400.9	6902.1	8369.3	24.7	2309.8	1501.2	1467.2	5302.9	100.8	174.7	127.8	121.3	272.9
Decking	1412.1	945.5	1603.9	2598.0	3144.0	-466.6	658.4	994.1	546.0	1731.9	67.0	169.6	162.0	121.0	222.6
Lift cylinder cross head	1667.7	1430.4	4222.6	5583.7	1549.9	-237.3	2792.2	1361.1	-4033.8	-117.8	85.8	295.2	132.2	27.8	92.9
Front beam	1156.6	1418.3	2716.8	4071.5	1638.4	261.7	1298.5	1354.7	-2433.1	481.8	122.6	191.6	149.9	40.2	141.7
Drawbar	1156.6	1284.9	4648.1	5932.7	4339.6	128.3	3363.2	1284.6	-1593.1	3183.0	111.1	361.7	127.6	73.1	375.2
<i>Railway transport</i>	2299.8	-	4222.6	-	6288.2	-2299.8	4222.6	-4222.6	6288.2	3988.4	-	-	-	-	273.4
Railway transporter	2299.8	-	4222.6	-	6288.2	-2299.8	4222.6	-4222.6	6288.2	3988.4	-	-	-	-	273.4
<i>Construction machinery</i>	1116.3	2872.9	3666.1	6979.6	4206.7	1756.6	793.2	3313.5	-2772.9	3090.4	257.4	127.6	190.4	60.3	376,8
Frame	591.8	1442.5	2553.2	3800.0	2346.9	850.7	1110.7	1246.8	-1453.1	1755.1	243.7	177.0	148.8	61.8	396.6
Bucket	524.5	1430.4	1112.9	3179.6	1859.8	905.9	-317.5	2066.7	-1319.8	1335.3	272.7	77.8	285.7	58.5	354.6
<i>Industrial equipment and other</i>	1573.5	1078.9	6252.0	6708.4	14745.9	-494.6	5173.1	456.4	8037.5	13172.4	68.6	579.5	107.3	219.8	937.1
Formwork	1573.5	-	-	-	5623.8	-1573.5	0.0	0.0	5623.8	4050.3	-	-	-	-	357.4
Pallets	-	1078.9	2847.8	1861.2	2612.6	1078.9	1768.9	-986.6	751.4	2612.6	-	264.0	65.4	140.4	
Solar panel support	-	-	3404.2	4847.2	6509.5	-	3404.2	1443.0	1662.3	6509.5	-	-	142.4	134.3	-
Total	13449.0	12122.0	32733.0	38776.0	44282.0	-1327.0	20611.0	6043.0	5506.0	30833.0	90.1	270.0	118.5	114,2	329.3

Source: calculated by the author.

In the commodity structure of the export of the studied enterprise at the end of 2017, the largest share is frame of car transporter – 18.9%, railway transporter – 14.2%, formwork – 12.7%. At the same time, the share of such goods in the total volume of exports has significantly decreased: lift cylinder cross head – from 12.4% to 3.5%, front beam – from 8.6% to 3.7%, frame of car transporter – from 22.8% to 18.9% and decking – from 10.5% to 7.1%. However, the share of solar panel support increased from 10.4% to 14.7% (table. 2.9).

Table 2.9

Dynamics of export commodity structure ALC "Mukachevo machine-building plant" 2013-2017, % of total exports

Products	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
<i>Road transport</i>	62.9	67.4	56.8	64.7	43.0	-19.9
Frame of car transporter	22.8	25.5	16.5	17.8	18.9	-3.9
Decking	10.5	7.8	4.9	6.7	7.1	-3.4
Lift cylinder cross head	12.4	11.8	12.9	14.4	3.5	-8.9
Front beam	8.6	11.7	8.3	10.5	3.7	-4.9
Drawbar	8.6	10.6	14.2	15.3	9.8	1.2
<i>Railway transport</i>	17.1	-	12.9	-	14.2	-2.9
Railway transporter	17.1	-	12.9	-	14.2	-2.9
<i>Construction machinery</i>	8.3	23.7	11.2	18	9.5	1.2
Frame	4.4	11.9	7.8	9.8	5.3	0.9
Bucket	3.9	11.8	3.4	8.2	4.2	0.3
<i>Industrial equipment and other</i>	11.7	8.9	19.1	17.3	33.3	21.6
Formwork	11.7	-	-	-	12.7	1.0
Pallets	-	8.9	8.7	4.8	5.9	5.9
Solar panel support	-	-	10.4	12.5	14.7	14.7
<i>Total</i>	100.0	100.0	100.0	100.0	100.0	-

Source: calculated by the author.

The indicators of the export efficiency of the ALC "Mukachevo machine-building plant" for the groups of goods are calculated.

The results of calculations of export efficiency of road transport are in table 2.10. The highest efficiency index was recorded in 2014 – 1.40, the lowest – in 2016 and 2017 – 1.13 and 1.14. In general, the efficiency of exports of road

transport in the study period decreased by 0.13 points. The effect of exports in the 2013 to 2017 increased to 577,8 thousand UAH.

Table 2.10

**Dynamics of export performance ALC "Mukachevo machine-building plant"
for road transport, 2013-2017, thousand UAH**

Indicator	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
Revenue from exports	8459.4	8170.2	18592.3	25088.0	19041.2	10581.8
Cost of production of export products	5752.4	4920.9	13851.3	18941.4	14376.1	8623.7
Sales costs	930.5	917.5	2045.2	3169.1	2310.8	1380.3
Total expenditure on export operations	6682.9	5838.4	15896.4	22110.6	16686.9	10004.0
The effect of exports	1776.5	2331.8	2695.9	2977.4	2354.3	577.8
Efficiency ratio of exports	1.27	1.40	1.17	1.13	1.14	-0.13

Source: calculated by the author.

The results of calculations of export efficiency of railway transport are in table 2.11.

Table 2.11

**Dynamics of export performance ALC "Mukachevo machine-building plant"
for railway transport, 2013-2017, thousand UAH**

Indicator	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
Revenue from exports	2299.8	–	4222.6	–	6288.2	3988.4
Cost of production of export products	1645.1	–	3147.9	–	4590.4	2945.3
Sales costs	253.0	–	527.8	–	788.9	535.9
Total expenditure on export operations	1898.1	–	3675.8	–	5379.3	3481.2
The effect of exports	401.7	–	546.8	–	908.9	507.2
Efficiency ratio of exports	1.21	–	1.15	–	1.17	-0.04

Source: calculated by the author.

The highest efficiency index was recorded in 2013 – 1.21, the lowest – in 2015 – 1.15. In general, the efficiency of exports of railway transport in the study

period decreased by 0.04 points. The effect of exports of railway transport in the 2013 to 2017 increased to 507.2 thousand UAH.

The results of calculations of export efficiency of construction machinery are in table 2.12. The highest efficiency index was recorded in 2014 and 2015 – 1.30 and 1.29, the lowest – in 2013 and 2017 – 1.19. In general, the efficiency of exports of construction machinery in the study period has not changed and remained at 2013 levels.

Table 2.12

**Dynamics of export performance ALC "Mukachevo machine-building plant"
for construction machinery, 2013-2017, thousand UAH**

Indicator	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
Revenue from exports	1116.3	2872.9	3666.1	6979.6	4206.7	3090.4
Cost of production of export products	814.9	1924.8	2383.0	4955.5	3028.8	2213.9
Sales costs	122.8	293.3	458.3	767.8	511.4	388.6
Total expenditure on export operations	937.7	2218.2	2841.2	5723.3	3540.2	2602.5
The effect of exports	178.6	654.7	824.9	1256.3	666.5	487.9
Efficiency ratio of exports	1.19	1.30	1.29	1.22	1.19	0.00

Source: calculated by the author.

The results of calculations of export efficiency of industrial equipment and other are in table 2.13.

Table 2.13

**Dynamics of export performance ALC "Mukachevo machine-building plant"
for industrial equipment and other, 2013-2017, thousand UAH**

Indicator	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
Revenue from exports	1573.5	1078.9	6252.0	6708.4	14745.9	13172.4
Cost of production of export products	1117.2	647.3	4251.4	4780.0	10617.0	9499.9
Sales costs	173.1	118.7	781.5	737.9	1850.2	1677.1
Total expenditure on export operations	1290.3	766.0	5032.9	5517.9	12467.2	11176.9

End of the table 2.13

Indicator	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
The effect of exports	283.2	312.9	1219.1	1190.5	2278.7	1995.5
Efficiency ratio of exports	1.22	1.41	1.24	1.22	1.18	-0.04

Source: calculated by the author.

The highest efficiency index was recorded in 2014 – 1.41, the lowest – in 2017 – 1.18. In general, the efficiency of exports of industrial equipment and other in the study period decreased by 0.04 points. The effect of exports in the 2013 to 2017 increased to 1995.5 thousand UAH.

The results of calculations of export efficiency of ALC "Mukachevo machine-building plant" indicate that during the study period the export was effective (table. 2.14)

Table 2.14

Dynamics of export performance ALC "Mukachevo machine-building plant", 2013-2017, thousand. UAH

Indicators	2013	2014	2015	2016	2017	The absolute deviation, 2017/2013
Revenue from exports	13449.0	12122.0	32733.0	38776.0	44282.0	30833.0
Cost of production of export products	9329.6	7493.1	23633.5	28677.0	32612.4	23282.8
Sales costs	1479.4	1329.5	3812.7	4674.8	5461.3	3981.9
Total expenditure on export operations	10809.0	8822.6	27446.3	33351.8	38073.7	27264.7
The effect of exports	2640.0	3299.4	5286.7	5424.2	6208.3	3568.3
Efficiency ratio of exports	1.24	1.37	1.19	1.16	1.16	-0.08

Source: calculated by the author.

The highest efficiency index was recorded in 2013 – 1.37, the lowest – in 2015 and 2016 – 1.16. In General, the efficiency of exports in the research period decreased by 0.08 points. The profit of the plant from the export of products increased. The effect of exports in the 2013 to 2017 increased to 3568,3 ths. UAH.

The tendency to decrease the indicator of export efficiency has a negative impact on the financial results of the activities of the enterprise. So, the company needs to look for ways to improve the efficiency of foreign trade operations.

Conclusions to part 2

The company is now a first-tier supplier of high-quality welded components and to be installed for European original equipment manufacturers (OEM). It fabricates serial products for sectors such as: road transport, railway transport, construction machinery, industrial equipment and other.

During the study period, the net income from the sale of products of ALC "Mukachevo machine-building plant" increased by 30833 thousand UAH. at the same time, the net financial result in the form of profit decreased by 361 thousand UAH. The results of the analysis of financial and economic activity of ALC "Mukachevo machine-building plant" show that the company is unable to repay current (short-term) liabilities at the expense of current assets. Also, the company is not able to repay its short-term liabilities through the sale of liquid assets. The potential cash reserve of the company has decreased, the company's activities are financed mainly by borrowed funds, the financial stability of the ALC "Mukachevo machine-building plant" has deteriorated.

Management of efficiency of foreign trade operations at the "Mukachevo machine-building plant" is part of the overall management of the enterprise. When managing the efficiency of foreign trade operations, the Mukachevo machine-building plant uses a functional approach. In particular, the company allocate planning, organization and control of foreign trade. In the process of managing the effectiveness of foreign trade operations, the Mukachevo machine-building plant uses both complex and thematic analysis of foreign trade activities. By means of the complex analysis experts of ALC "Mukachevo machine-building plant" study set of the indicators characterizing financial activity and financial position of the enterprise for a certain period. With the help of thematic analysis study of individual indicators of the enterprise: commercial and financial, currency, transport, or explore a certain range of functional issues within the same structure of the enterprise. Management of efficiency of foreign trade operations at the "Mukachevo machine-building plant" is carried out in compliance with a number

of principles: efficiency, planning, synergy, consistency and complexity, social responsibility, strategic flexibility, efficiency. Management of the efficiency of foreign trade operations at the "Mukachevo machine-building plant" is a rather complex process, as a result of which a management decision is formed. Taking into account the functional approach allows the management of the ALC "Mukachevo machine-building plant" to thoroughly work out certain activities and cover the entire sphere of foreign trade. The object of management of the effectiveness of foreign trade operations are not only the processes of exchange of products, but also cause-and-effect relations of the processes of foreign trade operations.

The strategic countries with which the ALC "Mukachevo machine-building plant" cooperates are the United Kingdom, Germany and Italy. Together, these three countries account for more than 45% of the company's exports. During the study period, the geography of exports of ALC "Mukachevo machine-building plant" expanded from 9 to 14 countries. Exports increased to all countries except Spain, Sweden and Luxembourg. The greatest growth in exports has been to countries such as the UK, Germany, Finland, Norway and Italy. The results of calculations of the efficiency of export of ALC "Mukachevo machine-building plant" show that during the study period the export was effective. However, there is a tendency to decrease the export efficiency index, which negatively affects the financial results of the activities of the "Mukachevo machine-building plant". Therefore, the company needs to look for ways to improve the efficiency of foreign trade operations.

PART 3
IMPROVING FOREIGN TRADE SYSTEM ALC "MUKACHEVO
MACHINE-BUILDING PLANT"

3.1. Ways of improving performance management system of foreign trade of the enterprise.

Based on the analysis, conducted in the second chapter, it was found that in recent years there is a decrease in the efficiency of foreign trade ALC "Mukachevo machine-building plant" This indicates the advisability of a number of measures to improve performance management system of the investigated enterprise.

One of the key issues for ALC "Mukachevo machine-building plant" is sales promotion and expansion of export. In our view, the situation that has developed today in the company, is unsatisfactory. The company uses almost no communication policy instruments in foreign markets, employees of company do not improve their skills, there is no advanced software management system efficiency of foreign trade enterprise. This, therefore, has a negative impact on the performance of the enterprise.

Given these basic directions of improvement of the performance management system of foreign trade ALC "Mukachevo machine-building plant" in our opinion, may include (tab. 3.1).

As international economic activity experience shows us any enterprise can't count on stable market conditions planning to operate in the long term and therefore forced to adapt to the constant changes in the environment, adapt internal capabilities to external conditions. In turn, these circumstances justify the growing need for reliable and, most importantly, timely information about the development of the business environment of the company, effective means of obtaining what is market research.

Table 3.1

Directions efficiency of foreign trade
ALC "Mukachevo machine-building plant"

Directions	Events	Expected results
Development and implementation of the marketing mix	Implementation of market research	Analysis of foreign markets in order to identify the latest trends and forming an idea of the needs of consumers
	Participation in international exhibitions company	Informing consumers about the benefits and availability of products. Increasing the number of customers, increased sales, improve the company's image in foreign markets
Staff training	Refresher courses for department heads	Increased productivity, better performance of functional responsibilities, update knowledge of the organization and management of foreign trade activities in order to achieve the strategic goals of the enterprise
	Refresher courses for managers FEA	
Automate performance management system of foreign trade	Implementation of the automated system of analysis, evaluation and forecasting performance FEA	Improving the efficiency of foreign economic activity by accelerating the process of analysis, evaluation and forecasting

Source: compiled by the author.

In the analysis of foreign markets, a system of indicators is used, which include, among other things, the variety of goods, modified products, the level and frequency of updating the range and so on. That is, such indicators that guide the company to export exactly those goods that most correspond to the structure and demand of foreign consumers [60]

In modern conditions of market research should be an integral part of the marketing of ALC "Mukachevo machine-building plant". This process is directly related to the sphere of sales, financing, logistics, as well as the relationship between the various departments of the enterprise. The essence of research consists in the sale of products which the consumer desires to purchase and the sale of which brings maximum profit to the enterprise.

The basis of the modern marketing philosophy of ALC "Mukachevo machine-building plant" should be a comprehensive study of the market and the

needs of consumers and, as a result, the organization of production activities in accordance with the results of marketing research. That is why when planning the production program of ALC "Mukachevo machine-building plant" it is important to pay attention to the ratio of the planned volume of production and the possible volume of its implementation, the ability of new products to meet the needs of consumers, the willingness of the enterprise to replace old products with new ones, as well as to take into account the high probability of risks that inevitably accompany innovative processes in the production sphere. The introduction of a modern marketing management concept of ALC "Mukachevo machine-building plant" should provide a significant increase in profits.

The use of marketing tools in the implementation of foreign trade operations by the enterprise is generally recognized in the modern economy, as ignoring marketing factors leads to increased risks and the occurrence of direct and indirect losses. This is due to the fact that the company in the market environment is forced to work in conditions of uncertainty with a significant number of negative factors. That is why in developed countries, the management of enterprises invests heavily in the development of marketing activities, monitors the external environment and market research [54]

We believe that the ALC "Mukachevo machine-building plant" should refer to marketing research, which means not only the study of consumer behavior, but also the study of competitors, the corporate structure of the market, pricing, sales promotion and advertising, promotion and movement of goods, etc. in terms of information insufficiency, the problem of marketing research for the ALC "Mukachevo machine-building plant" is extremely relevant

Production which would be competitive in foreign markets, depends not only on the technical equipment of the enterprise, the availability of modern technologies, a well-established system of product quality control, market research and consistent implementation of the concept of promotion of goods to foreign markets, but also on the skills of employees, effective personnel management.

Great importance for the implementation of foreign trade operations of the ALC "Mukachevo machine-building plant" is the correct selection of the Manager, because of his skills depends on the effective implementation of foreign economic activity. The Manager should have decision-making skills in dynamic and often uncertain situations in the implementation of foreign trade operations; be informed on the development of the enterprise industry; skillfully use modern information technology, communication tools; know the strengths and weaknesses of each employee of his team; be a successful HR-Manager, be able to choose and develop a highly effective team; be able to clearly Express their thoughts; be honest with employees and partners. Competent professionals should be well versed in their work, monitor and analyze the dynamics of the industry, customer needs, current economic trends.

Human resources management is becoming increasingly important as a factor in improving the competitiveness of the ALC "Mukachevo machine-building plant", achieving success in the implementation of its development strategy. Human resources management can be defined as an activity aimed at the most effective use of employees to achieve the goals of the enterprise and personal goals. The first is traditionally associated with ensuring the efficiency of the enterprise. Moreover, efficiency is sometimes understood in a narrow sense-as maximum profit. However, more and more often efficiency is considered not only in economic terms (efficiency, quality, productivity, innovation, profit), but also in a wider context, which is associated with such concepts of personal and psychological plan as employee satisfaction with their work, participation in the workforce of the enterprise, a high level of self-esteem of the team, motivation of staff to work effectively.

The employee must be satisfied with his work, have a comfortable workplace, enough earnings and the opportunity to move up the career ladder, confidently take responsibility and improve their position in the labor market. After all, the human factor plays a major role in the activities of any enterprise.

That is, the focus on tradition hinders the achievement of maximum efficiency of vocational training.

Strategic planning is implemented in the practice of domestic enterprises in recent years. At the same time, when developing strategic plans for the development of the enterprise, the most important priorities of personnel policy, tasks and directions of their achievement are determined. Thus, the main priorities of the personnel policy of the enterprise for a certain long period is an important component of the strategic development plan of the enterprise [56].

The costs of staff development are considered necessary and effective investments of the enterprise. The growth of human resources is achieved only if it is constantly developing, that is, through professional training. Vocational training is the process of purposeful formation of special knowledge among employees, as well as the development of the necessary skills and abilities that allow to increase productivity, to perform functional duties as efficiently as possible, to master new activities in order to achieve the strategic goals of the enterprise.

Thus, the American Scientist E. Denison [60], argues that investments in "human capital" bring 5-6 times more profit than in production. According to USA analysts, an increase in investment in training by 10% increases labor productivity by 8%, while an increase in investment in production by 10% increases labor productivity by only 4%. In the US, for every dollar invested in the development of production, 85 percent falls on the development of the labor force [61].

The creation of a system of staff development at the ALC "Mukachevo machine-building plant" will allow to avoid miscalculations in the implementation of export operations, to interest employees in the possibility of professional growth.

It is relevant today establishing and effective functioning of the system of information support of foreign economic activities ALC "Mukachevo machine-building plant", which will be adapted to the specifics of the Ukrainian information market and domestic industry, to become a real competitive tool.

Effective use of information technology has gradually become a priority for ALC "Mukachevo machine-building plant" as the successful resolution of issues timely and high-quality management decisions is possible only in the presence of timely and reliable information that reflects the real situation in all areas of activities of ALC "Mukachevo machine-building plant" at the expense of the finished products under contracts with foreign partners.

Automation will provide several advantages in improving the efficiency management system of foreign trade operations of ALC "Mukachevo machine-building plant" the introduction of automation can significantly change the management of business processes. But for this system to bring the expected effect, it must match the capabilities of the enterprise, the level of development, goals, etc.

One of the ways to improve the organization of export operations of the enterprise is to participate in international exhibitions.

International exhibitions are an important tool for marketing, advertising, commercial, technical and economic activities of enterprises-subjects of foreign economic activity. Thanks to participation in such events, ALC "Mukachevo machine-building plant" will be able to:

- to bring information about their products to domestic and foreign consumers;
- to participate in the discussion of topical issues of further development of its trading activities.
- increase the effectiveness of marketing issues and penetration ALC "Mukachevo machine-building plant" in foreign markets;
- express themselves, improve their own image, define its niche in the market;
- For information about the appearance on the market of new products and services, advanced technologies.

In our opinion, participation in specialized exhibitions with the participation of foreign enterprises will provide an opportunity to ALC "Mukachevo machine-building plant" to expand foreign economic relations, increase the efficiency of export operations, as well as become a means of innovative development of ALC "Mukachevo machine-building plant".

For ALC "Mukachevo machine-building plant" participation in exhibitions is a means of increasing sales of goods and increasing the number of contracts. In our opinion, the management of ALC "Mukachevo machine-building plant" should consider the international exhibition as an effective combination of marketing measures and foreign trade mechanisms.

Mechanical engineering exhibitions are held in Europe and in the world mainly in spring and autumn. Some exhibition centers, considering the great interest of exhibitors in the presentation of their products and services, hold exhibitions of the same subject twice a year. First these are highly specialized exhibitions.

Of the more diverse international exhibitions we have selected the most rated (table. 3.2).

Table 3.2

Information on the most popular international exhibitions, 2019

Name of the event	Place and date of
MSV 2019 / International Engineering Trade Fair	Brno, Czech Republic 09-13 October 2019
Railtex / International Exhibition of British engineering industry	Birmingham, United Kingdom 09-11 May 2019
"Innovations in Industry 2019" / International exhibition of innovations in the engineering industry	Paris, France 19-25 June 2019
XVI International Industrial Forum	Bielsko-Biala, Poland 12-14 September 2019
MACH-TECH / International exhibition of mechanical engineering and welding technology	Lublin, Poland 9-12 May 2019
INDUSTRY DAYS / International Industrial and Trade Exhibition	Berlin, Germany 30 May-20 June 2019

Source: developed by the author [73].

Domestic and foreign leading manufacturers of machine-building equipment take part in the exhibitions chosen by us. These exhibitions are focused on the world's highest technical achievements, the establishment of partnerships with leading European manufacturers and is a platform for business development. Active promotion and implementation of the most advanced European developments in the field of mechanical engineering.

In our opinion, for ALC "Mukachevo machine-building plant" exhibitions have significant advantages over other measures to improve the efficiency of the organization of export operations. Let's define the main advantages of participation in the international exhibitions for ALC "Mukachevo machine-building plant" (Fig. 3.1).

Benefits for participation in exhibitions ALC "Mukachevo machine-building plant"
→ Time saving due to direct contact with potential buyers of products.
→ Establishment of an information exchange mechanism.
→ Neutralization of the value of the size of the enterprise, provided the coexistence of different-scale enterprises in a single environment and on the same basis.
→ Providing an opportunity to compare identical goods with competitors, as well as commercial conditions of sale, price and quality.
→ Informing participants and visitors about events in the development of new technologies, modifications of goods.

Fig. 3.1. The benefits of participation in exhibitions for ALC "Mukachevo machine-building plant"

Source: developed by the author.

We believe that the implementation of the proposed activities will allow ALC "Mukachevo machine-building plant" to increase demand for products, increase sales, improve competitiveness, image and overall popularity of the

enterprise. All this will help to increase efficiency and create conditions for the stable operation of the ALC "Mukachevo machine-building plant" in foreign markets.

3.2. Development a set of measures to improve management efficiency of foreign trade ALC "Mukachevo machine-building plant"

Marketing research of foreign markets creates a scientifically and practically sound basis for making qualified decisions by the management of the company in relation to foreign trade operations. One way or another of analyzing foreign markets will depend to a large extent on the reason for the decision to try to enter the international market. All the main reasons why companies decide to do this, in principle, do not differ with respect to the organization of market analysis methods. Much more important in this regard is the following: ALC "Mukachevo machine-building plant" needs to develop its own non-standard method, which will consider the needs of ALC "Mukachevo machine-building plant" and, more importantly, will take into account the budget and the real possibilities of this company. Such an analysis would be strictly subjective. The main fact is that "it is impossible to analyze several, it is necessary to analyze something specific" [51].

The main task of the analysis is, firstly, to collect information, and secondly, to understand how this information relates to the real goals and capabilities of the ALC "Mukachevo machine-building plant". The most important criterion for the choice of markets that should be analyzed is very simple: whether the price for this product is acceptable to buyers, there are real prospects for the development of the enterprise in new markets, or there may be a barrier.

Gathering information is one of the most important aspects of market analysis. It is necessary to collect as much as possible various information concerning those markets in which ALC "Mukachevo machine-building plant" plans to carry out sale of production. Even though there are now many sources of information, access to which is very cheap, even simple data collection will take a lot of time and effort. This should also be borne in mind. Special methods of analysis are used to obtain information about the internal and external conditions of the enterprise. Their results reflect the current situation of the company. In order

to prepare future-oriented solutions, the analysis of modern conditions alone is not enough, it is necessary to use the forecasting method.

In addition to its own forces, ALC "Mukachevo machine-building plant" can seek help from organizations that will help to collect information about the domestic and foreign markets, demand, supply and market conditions of the necessary product group in other countries, to carry out a market review taking into account the specifications of the goods, which are preferred by domestic consumers.

One of the leading information and analytical and expert centers of Ukraine in the field of foreign trade is a Consulting Agency "Marketing communications", the base of regular customers which has more than 5,000 companies, including foreign ones. In the Consulting Agency "Marketing communications" the following forms of service: analysis of export/import – EximStat; ready marketing research; individual marketing research.

In our opinion, among the services of the consulting Agency for ALC "Mukachevo machine-building plant" it is advisable to apply such as individual marketing research of foreign and domestic markets (research conducted on the parameters provided by the customer). This type of service specializes in identifying the needs and behavior of consumers in relation to the product or service, the analysis of the competitive environment in order to develop a winning marketing mix for their business in the local and foreign markets

Since the improvement of the efficiency management system of foreign trade operations of the enterprise should be carried out not as a single action, but a continuous process of finding ways to improve the company's activities at the strategic and tactical levels, we propose to carry out such studies at least once every six months.

Besides, the Consulting Agency "Marketing communications" constantly carries out release of the Bulletin "Review of the Ukrainian and world commodity markets" which contains commercial offers of the foreign companies concerning export, import of goods; the prices which developed in the world and Ukrainian

commodity markets, price tendencies, and also comments of experts, reviews of the commodity markets and so forth. The journal is published 1 time in a month, the price of the one – 350 UAH. Advance payment of the specified edition will allow ALC "Mukachevo machine-building plant" to find perspective partners abroad. The estimated costs of ALC "Mukachevo machine-building plant" for the use of the services of a consulting Agency are shown in table. 3.3.

Table 3.3

The estimated cost of ALC "Mukachevo machine-building plant" for services consultancy, forecast for 2019-2021

Indicator	Price	Frequency of orders	Cost
The cost of individual comprehensive market research on external markets, UAH	34020 (including discounts 10%)	Every six months	68040
Costs for individual market research domestic market, UAH	14800	Every six months	29600
Newsletter Subscription "Review of Ukrainian and world commodity markets," UAH / month.	350	Monthly	4200
Total, UAH			71600

Source: Calculated by the author.

The cost of the study is agreed upon after the formation of the content of the study. On average, for such an enterprise as ALC "Mukachevo machine-building plant" the cost of research of foreign markets (export or import) is 18900 UAH. If you order two studies-for export and for import-a discount of 10%. We recommend ALC "Mukachevo machine-building plant" to order a comprehensive study for export and import. Thus, taking into account the discount, the study will cost about 68040 UAH / year. The cost of ordering the services of individual marketing research of the domestic market will be 29600 UAH / year (14800 UAH per one study). Expenses of ALC " Mukachevo machine-building plant" for subscription of the Bulletin" Review of the Ukrainian and world commodity markets " to make 4200 UAH/year.

So, using the services of specialists of the consulting Agency, ALC "Mukachevo machine-building plant" will be able not only to get acquainted with the overview of the markets, but also to inform about foreign companies and their product range. In General, the cost of our proposed marketing research in the Consulting Agency "Marketing communications" is 71600 UAH/year.

One of the important factors that provides stability and increase of competitiveness of the enterprises is professional training of the personnel. At the present stage, this is what ensures sustainable economic growth in the long term, and, consequently, the competitiveness of the enterprise in the country and abroad. Now the competitiveness of the enterprise is determined not by the volume of natural and industrial resources, but, above all, by the intellectual potential and the ability to generate new knowledge. Therefore, the issue of professional training and professional development of personnel is relevant for the company.

Among the existing training courses in the field of foreign economic activity, we have chosen the Supply Chain Management course for the heads of sales and supply Department, and the foreign trade Manager course for managers. Supply Chain Management comprehensive training program for managers of all levels of enterprises engaged in foreign economic activity, which covers all aspects of the management of the enterprise the subject of foreign trade. Provides a holistic understanding of the role, relationship, place of each component of the functions of foreign economic activity: from planning and production to storage of transportation and distribution. The program is designed to help structure existing knowledge and skills, highlight best practices, as well as provide effective practical tools that can be used in everyday activities. "Foreign trade Manager" a special training program for managers working in the field of foreign economic activity.

Calculate the cost of training employees of the ALC "Mukachevo machine-building plant" (table. 3.4).

Quite important is the problem of choosing information systems in the organization of foreign economic activity of the "Mukachevo machine-building

plant", as often managers in this sphere have to make management decisions in conditions of varying degrees of uncertainty.

Table 3.4

The costs of training staff ALC "Mukachevo machine-building plant"

Category of staff	course name	Number of people	The duration of the courses	Price, UAH / person	Value, UAH
Head of marketing, Head of Supply	Supply Chain Management	2	1,5 months.	5100	10200
Managers FEA	"FEA Manager"	2	2 months.	4600	9200
Total	-	4	-	-	19400

Source: Calculated by the author.

In this case, the use of advances in information technology makes it possible to simulate the results of management decisions made by the Manager and choose the most optimal. This is one of the main advantages of information technology over trial and error when it comes to experience-based management only.

Promising areas in the development of information systems and technologies that help employees in the field of foreign economic activity of the enterprise to effectively perform their work is to increase their functionality. The latest information systems should be created based on interactive communication technology and require scrupulous research during implementation. They should include the ability to adapt to specific user requirements and be further enhanced through the introduction of additional features. And of course, should be suitable for long-term use.

In general, there are several methods of introducing the latest information technologies in the activities of managers in the field of foreign economic activity. These include individual means of information processing and the ability to access desired information; means for interpersonal connection, including via a computer network; information management systems that integrate the capabilities of various

software tools to create new information and decision-making using the elements of artificial intelligence.

Even though the use of information technologies, which are rapidly developing and updating, increases the effectiveness of the Manager in the field of foreign economic activity, it is necessary to develop a qualitatively new approach to the system organization and implementation of training in management.

Information systems of the new generation include decision support systems and information systems based on artificial intelligence. These are interactive computer systems that are designed to support a variety of decision-making activities. This system has many advantages and is used in all areas of management of the enterprise, including its foreign economic activity. Such systems assist the Manager in the decision-making process and provide support across the entire range of task contexts. They support and reinforce the Manager's reasoning and evaluation. Decision support systems integrate models and analytical methods with standard data access and sampling. One or more models are activated to assist in decision-making. Their content covers the history of current and previous operations, as well as external information and information about the environment. These systems are easy to operate and built on the principle of interactive problem solving.

To expert systems include software tools that use expert knowledge to provide efficient solutions of non-formalized problems in a narrow subject area. A typical expert system can include databases, knowledge bases, explanation subsystem and user interface.

Expert systems are also used in the management of foreign economic activity. They can be used in forecasting, planning, monitoring, management, and training. For example, expert systems are already used in banking, namely in the programs of analysis of investment projects, the state of the currency, money and stock market, creditworthiness or financial condition of enterprises and banks. The process of creating expert systems has changed significantly in recent years. Due to the emergence of special tools for building expert systems, the reduction of time

and labor intensity of their development has become promising areas in their development.

There are a lot of criteria for the selection of automation systems. Given the above, to improve the organization of export operations of ALC "Mukachevo machine-building plant" we can offer one of the most successful methods of planning, organization, control and evaluation of business efficiency – a system of balanced scorecard, which can be implemented through the software "Sales Expert".

"Sales Expert" is one of the leading players in the market of development and automation of management accounting, budgeting, strategic enterprise management. The specified software has a number of advantages over other similar products, in particular, the complex allows to automate all elements of a cycle of management of the enterprise. It can be used to formalize the goals and strategy of the enterprise, to plan ways to achieve it, to decompose the goals to the level of departments and to organize constant monitoring of the implementation of the strategy. "Sales Expert" is used not only for design or control within a separate subsystem of organization management, but also allows you to build logical relationships and organize the exchange of data between subsystems.

Calculate the cost necessary for the implementation of software «Sales Expert» in practice investigated enterprise (tab. 3.5).

Table 3.5

The cost of software implementation «Sales Expert» TPI activity in ALC "Mukachevo machine-building plant". forecast for 2019-2021

Articles expenses	Cost, UAH
Acquisition of software (including the use of 2019)	57800
Installing and configuring software	13500
personnel training	12000
Total, 2019	83300
Further information support program for 12 months	69360
Total, using the following years (2020 and 2021)	138720

Source: Calculated by the author [74].

The cost of the product is already included technical support for 12 months from date of purchase. Later she got extra cost on average 10% of previously purchased licenses.

In the modern concept of marketing exhibitions are given special importance. The company's participation in exhibitions is an effective and powerful means of forming marketing communications. This is due to the fact that many companies see exhibitions as an important marketing tool that allows them to successfully solve the existing problems caused primarily by the need to ensure effective product and price policy, distribution and promotion policies.

Entering a new geographical market allows to realize the sales opportunities of the enterprise. But the company's entry into the unexplored market is always associated with the emergence of a number of problems the lack of information about the market situation: the action of competitors, potential consumers, their needs, the unknown level of current prices for products, etc. to solve these problems, it is necessary to conduct a market research of this market, but this method requires large financial costs. However, the necessary information can also be obtained at an industry exhibition held in the region of interest to the enterprise. At the same time, participation in the exhibition will be more profitable and will bring more results, because in addition to the information about the market situation, potential consumers will be able to get acquainted with the range of products, that is, the company through participation in the exhibition has the opportunity not only to learn about potential competitors and consumers,

It is to solve these problems and should be directed to the participation of ALC "Mukachevo machine-building plant" in the international exhibition. First of all, it is necessary to choose an exhibition in which ALC "Mukachevo machine-building plant" will take part. Europe was chosen as the target region. The main criterion when choosing the exhibition is its popularity and scale, that is, the number and composition of participants, as, first of all, the ALC "Mukachevo machine-building plant" needs to get information about the market situation, and

the larger the exhibition, the more companies will be represented on it, and the fuller will be the picture of the market in the region.

Of the more diverse international exhibitions listed in the table. 3.1, we have chosen the international specialized exhibition "MSV" - the international specialized exhibition of mechanical engineering which is held annually in the Czech Republic, Brno.

The success of the exhibition "MSV" is confirmed by the contracts signed directly at the exhibition, positive feedback from the participating companies.

Analysis of the results of the exhibition "MSV" in recent years leads to the conclusion that it is a growing international exhibition, participation in which provides an opportunity to enter a new geographical market, as well as establishing contacts with target consumers.

In connection with participation in the exhibition, the company will incur certain costs, namely: stand rent, registration fee, transportation of samples of products, the cost of travel of employees. The exhibition should also be presented printed materials containing the necessary information for visitors to the stand of the ALC "Mukachevo machine-building plant". The costs of participation of the studied enterprise in the international exhibition are summarized in the table. 3.6.

Table 3.6

**Costs involved ALC "Mukachevo machine-building plant"
in the international exhibition «MSV». forecast for 2019**

Articles expenses	Number	Price	Price, UAH
Rental booth	-	380 euros	12160
Registration fee	-	130 euros	4160
Placing information in print and online exhibition catalog	-	85 euro	2720
Production of printed products including:	820 pcs.	-	24903
- branded presentation folder	120 pcs.	UAH 34.5	3720
- Company presentation (color version)	290 pcs.	UAH 33.5	10295
- range of products (color version)	120 pcs.	UAH 31.7	4044
- cards (prices, technical descriptions and t n.)	290 pcs.	UAH 21.6	6844
Travel expenses of staff (3 persons) and transport product samples, including:	-	-	44380
- the cost of transportation of product samples	-	-	26140
- Fees trips (daily)	3 days	40 ^ / day	3840
- the cost of hotel accommodation (3 bed room)	3 days	150 ^ / night	14400

Together	88323
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Source: Calculated by the author.

We recommend ALC "Mukachevo machine-building plant" to take part in similar events at least once a year. This will help the company to identify its strengths and weaknesses, to adapt to the behavior of consumers and competitors, to check the effectiveness of sales systems, to analyze carefully the range of products. We believe that all this will contribute to the timely response of the "Mukachevo machine-building plant" to the requirements of the market, without which the company can't function normally.

Improvement of the efficiency management system of foreign trade operations of "Mukachevo machine-building plant" should be comprehensive, be synchronized with the improvement of marketing, communication and personnel policies. In our opinion, active advertising of the enterprise, introduction of modern information technologies, implementation of marketing researches, professional development of personnel of separate structural divisions will make positive impact on activity of the enterprise, and also will create preconditions for further expansion of its activity.

3.3. Evaluating the effectiveness of the proposed measures

Companies that actively participate in international exhibitions, claim that these measures with the right choice have a real economic impact. During the exhibition there is an acquaintance with potential partners, conducting negotiations with them, establishing mutually beneficial contacts.

The result of participation of enterprises in exhibitions is measured by the economic and non-economic effect, which must be taken into account when assessing the effectiveness of participation.

Evaluation of non-economic effectiveness of participation, in accordance with the preset goals, is based on two types of criteria:

- quantitative criteria: The number of visitors at the stand, the number of contacts (including existing or new customers), the number of sales contracts signed during the exhibition, the number of information materials delivered to visitors.
- qualitative criteria: they are more difficult to assess, as this includes information obtained during communication with visitors, the quality of this communication, the visitor's interest in the products and services presented, their opinion about the stands and the information provided, information collected about competitors and new distribution channels or potential new business partners.

Expected performance from participating ALC "Mukachevo machine-building plant" in the international exhibition "MSV" listed in the table. 3.7.

Table 3.7

Expected performance from participating ALC "Mukachevo machine-building plant" in the international exhibition "MSV", 2019-2021

Indexes	Forecast			The relative deviation%	
	2019	2020	2021	2018/2017	2019/2018
Planned revenue from participation in the exhibition, UAH.	84654	87363	90945	103.2	104.1
The total cost of participation, UAH	80623	80623	80623	100.0	100.0
The effect of participation in the	4031	6740	10322	167.2	153.1

exhibition UAH.					
The effectiveness of participation in the exhibition	1.05	1.08	1.13	103.2	104.1

Source: Calculated by the author.

In the Chamber of Commerce in Advertising exhibition explains that the participation in exhibitions affect company profits increase and consequently the share of external orders on average by 5-10%. According to our rough calculations, enterprise participate in the international exhibition will attract more customers, including foreign, at least in 2020 to 3% in 2021 - a further 4%.

In assessing the effectiveness of the created site should be based on the fact that, depending on the nature of the effect that is achieved, the following types of efficiency of the site can be determined: economic efficiency; functional efficiency; social efficiency.

Indicators of economic efficiency are the cardinal generalizing indicators characterizing expediency of expenses on creation and functioning of system.

Performance indicators of functional and social efficiency can be considered as local. Functional efficiency is manifested in ensuring the completeness, accuracy and availability of information about the organization, its activities, products and services at any time of the day convenient for the user, as well as in the optimization of technological processes.

The social effect is expressed in the expansion of the means of promotion of goods and services; informing the largest number of stakeholders about the activities of the enterprise and the conditions of the contract for the execution of works by the enterprise; optimization of advertising activities of the enterprise; search for new customers and business partners; formation of a positive image of the company.

Consideration of only technical performance indicators leads to a local assessment. However, the need for information systems is usually dictated by economic and social interests. Improving local performance is also a means of improving economic and social performance.

The main effect of the implementation of the software "Sales Expert" in the practical activities of the ALC "Mukachevo machine-building plant" is expected to system optimization and development of the enterprise management system. Due to this, the company mobilizes all its forces and optimally directs them to the implementation of the developed strategy. Thus, the implementation of the software "Sales Expert" in the company's activities will improve the efficiency of business processes of the enterprise.

The main effect of the implementation of the complex is expected to be system optimization and development of the enterprise management system. Due to this, the company mobilizes all its forces and optimally directs them to the implementation of the developed strategy. The effectiveness of the implementation of the software product "Sales Expert" on ALC "Mukachevo machine-building plant" are shown in table. 3.8.

Program-methodical complex "Sales Expert" belongs to the class of programs for business performance management. Products of this class are designed for continuous search and formalization of factors that affect the efficiency of activities.

Table 3.8

Expected performance software implementation "Sales Expert" in the activity of ALC "Mukachevo machine-building plant" 2019-2021

Indexes	Forecast		
	2019	2020	2021
Planned revenues from the implementation of software «Sales Expert», UAH.	101130	101424	102710
The total cost of implementing «Sales Expert», UAH	83300	-	-
Information support programs UAH.	-	69360	69360
The effect of the introduction of «Sales Expert», UAH	17830	101424	102710
The effectiveness introduction «Sales Expert»	1.21	1.46	1.48

Source: Calculated by the author.

The product will allow ALC "Mukachevo machine-building plant" to carry out:

- restructuring of the management system;
- balanced scorecard design;
- development of budgeting system and full cycle of budget management;
- the design and optimization of business processes.

"Sales Expert" is designed for the design and automation of management processes in organizations of various types. Implementation of the complex will allow ALC "Mukachevo machine-building plant" to solve the following tasks:

- to design the management system, financial and organizational structure of the company, to identify the most important goals and indicators, to develop the strategy of the organization;
- plan target (key) indicators and a map of the balanced scorecard;
- download information from heterogeneous systems into a single "control panel" and monitor the actual values of key indicators;
- to analyze deviations and identify problem areas in the control system of "Mukachevo machine-building plant".

Implementation of the Sales Expert software product will allow managers of the ALC "Mukachevo machine-building plant" to improve the efficiency of business processes, in particular: reduce costs by optimizing business processes, organizational structure and budgeting system;

- increase the level of income by optimizing relationships with customers and contractors;
- increase the efficiency of own work by reducing the daily operational control for the benefit of strategic objectives;
- improve enterprise management by visualizing the strategy of the entire enterprise related to the actions of individual functional departments, employees;

- to increase the motivation of employees to achieve the goals of the enterprise by linking strategic objectives of the organization with the system of personnel motivation.

Using the methodology proposed by the Research Institute of labor and employment of the Ministry of social policy of Ukraine and NAS of Ukraine, we determine the impact of advanced training of workers of ALC "Mukachevo machine-building plant" on the growth of their productivity (table. 3.9).

Table 3.9

The impact of training workers ALC "Mukachevo machine-building plant" on productivity growth

Indexes	Legend / calculation formula	Result calculations
Average level workers respectively at the beginning and end of year	R sk / P B	4.11 / 4.04
The difference between the tariff rate in the range, which is an increase in tariff category	AND	0.3
The share of workers who improved their qualification in the total number of staff	IN	4.1
The increase in productivity due to training workers	$P = (P_{sk} - p_B) * \text{and}$ $100 * \text{in} *$	$(4,12-4,05) * 0.3 *$ $4.1 * 100\% = 5.2\%$

Source: Calculated by the author.

As we can see, staff training will not require significant costs, but the systematic implementation of the proposed measures will allow to form a highly qualified productive team at the ALC "Mukachevo machine-building plant", which will be able to ensure the effective operation of the enterprise and increase productivity by 5%.

In our opinion, the main results of professional training of employees of ALC "Mukachevo machine-building plant" should be:

high-quality personnel changes and rapid adaptation of employees to the introduction of new technologies;

- increased productivity;
- reduced staff turnover;
- increasing the number of inventive proposals;

- reduction of labor costs per unit of production;
- competitiveness in domestic and foreign markets.

The projected efficiency of the ALC "Mukachevo machine-building plant" from using the services of a consulting Agency are shown in table. 3.10.

Table 3.10

Expected effectiveness export ALC "Mukachevo machine-building plant" by using the services of consultancy, 2019-2021

Indicator	Cost, UAH thou.		
	2019	2020	2021
Costs for market research	102.3	102.3	102.3
Planned revenue, including:	3103.4	3289.6	3519.9
The cost of manufacturing products	1862.1	1917.9	1975.5
Overhead export under the terms of the contract	465.5	479.5	493.9
Effect exports	673.6	789.9	948.3
Efficiency ratio of exports	1.28	1.32	1.37

Source: Calculated by the author.

According to our approximate calculations, as well as on the basis of experience in the implementation of such activities at other enterprises, marketing research will attract additional customers, including foreign ones, and increase revenue from export operations by an average of 6-7% per year.

Thus, in order to improve the efficiency of foreign economic activity, ALC "Mukachevo machine-building plant" must constantly carry out forecasting changes in the market, take into account the possibility of new products or new technologies, changes in fashion, consumer behavior and so on. To do this, it is necessary to periodically conduct market research, and not limited to the markets with which the company operates, and to look for new markets for products.

We have calculated the projected performance indicators of foreign trade operations of the "Mukachevo machine-building plant", provided the implementation of the proposals. At the same time, in the implementation of the

forecast, we considered that the company's expenses for foreign trade operations will increase. According to calculations, the implementation of the proposed measures will improve the efficiency of foreign trade operations of the "Mukachevo machine-building plant" (table. 3.11).

Table 3.11

Dynamics of forecast indicators of efficiency of export of ALC "Mukachevo machine-building plant" 2019-2021, ths. UAH

Indexes	2017 (fact)	2018 (plan)	Forecast			The absolute deviation, 2021/2017
			2019	2020	2021	
With the constant situation						
Proceeds from exports	44282	45388	46571	47892	48932	4650
Cost of production of export products	32612	38574	39550	40341	41148	3134
Selling expenses	5461	308	364	380	427	125
Total expenditure on export operations	38074	38882	39914	40721	41575	3259
Effect exports	6208	6506	6657	7171	7357	1391
Efficiency ratio of exports	1.16	1.17	1.17	1.18	1.18	0.02
According to the language of the proposed measures						
Proceeds from exports	44282	45388	47485	49902	51754	7472
Cost of production of export products	32612	38574	40023	40823	41640	3626
Selling expenses	5461	308	358	365	456	154
Total expenditure on export operations	38074	38882	40381	41188	42096	3780
Effect exports	6208	6506	7104	8714	9658	3692
Efficiency ratio of exports	1.16	1.17	1.18	1.21	1.23	0.07

Source: calculated by the author.

The results of calculations of the forecast indicators of financial results of ALC "Mukachevo machine-building plant" confirmed the improvement of the results of the enterprise and increase in profits. Consequently, forecasting indicators of both exports and the financial result of the activities of ALC "Mukachevo machine-building plant" showed the effectiveness of the implementation of the proposed activities in the activities of the company.

The recommendations are aimed primarily at improving the efficiency management system of foreign trade operations of the enterprise, as well as minimizing its costs. Based on calculations, expert evaluation and other factors, as well as based on experience in the implementation of such activities at other enterprises, the introduction of all the proposed activities in the practice of ALC "Mukachevo machine-building plant" will increase the efficiency of export of the studied enterprise. (table. 3.12)

Table 3.12

Dynamics forecasted financial performance indicators ALC "Mukachevo machine-building plant" 2019-2021, UAH thou.

Article	2017 (fact)	2018 (plan)	Forecast							
			provided constant situation				for in the language of the proposed measures			
			2019	2020	2021	2021/2017	2019	2020	2021	2021/2017
Net income from sales of products (goods and services)	44282	45832	47436	49144	51011	6729	48353	50235	52191	7909
Cost of products (goods and services)	38014	39344	40722	42188	43791	5777	41508	43124	44803	6789
Gross profit	6268	6487	6714	6956	7220	952	6844	7111	7387	1119
Other operating income	1495	1547	1601	1659	1722	227	1632	1696	1762	267
Administrative expenses	4956	5129	5309	5500	5709	753	5412	5622	5841	885
Selling expenses	302	313	324	335	348	46	330	343	356	54
Other operating expenses	2050	2122	2196	2275	2362	312	2238	2326	2416	366
Financial result from operating activities: Profit	455	471	487	505	524	69	497	516	536	81
Other financial income	4	4	4	4	5	1	4	5	5	1
Other income	165	171	177	183	190	25	180	187	194	29
Financial expenses	56	58	60	62	65	9	61	64	66	10
Financial result before taxation Income	568	588	608	630	654	86	620	644	669	101
Expenses (income) income tax	102	106	109	113	118	16	111	116	120	18
Net financial result: profit	466	482	499	517	537	71	509	529	549	83

Source: calculated by the author

Conclusions to part 3

According to the results of the analysis conducted in the second Chapter, it was revealed that in recent years there has been a decrease in the level of efficiency of foreign trade operations of ALC "Mukachevo machine-building plant". This indicates the feasibility of implementing several measures to improve the efficiency management system of foreign trade operations of the enterprise under study.

The basis of modern marketing philosophy of ALC "Mukachevo machine-building plant" should be a comprehensive study of the market and the needs of consumers and, as a result, the organization of production activities in accordance with the results of marketing research. In our opinion, it is advisable for the company to use the services of specialists of a consulting Agency and order individual marketing research of foreign and domestic markets.

Implementation of foreign economic activity of ALC "Mukachevo machine-building plant", production which would be competitive in foreign markets, depends not only on the technical equipment of the enterprise, the availability of modern technologies, a well-established system of product quality control, marketing research of the market environment and the consistent implementation of the concept of promotion of goods to foreign markets, but also on the skills of employees, effective personnel management. Among the existing training courses in the field of foreign economic activity, we have chosen the Supply Chain Management course for the heads of sales and supply Department, and the foreign trade Manager course for managers. Supply Chain Management comprehensive training program for managers at all levels of enterprises engaged in foreign economic activity, which covers all aspects of the management of the enterprise-the subject of foreign trade.

Actual today is construction and effective functioning of such system of information support in the sphere of foreign economic activity on ALC "Mukachevo machine-building plant" which would adapt to specifics of the

Ukrainian information market and activity of the domestic industrial enterprises to become the real tool in competitive fight. Therefore, we have proposed the implementation of one of the most successful methods of planning, organization, control and evaluation of business efficiency – balanced scorecard, which can be implemented through the software "Sales Expert".

One of the ways to improve the organization of export operations of the enterprise is to participate in international exhibitions. In our opinion, participation in specialized exhibitions with the participation of foreign enterprises will provide an opportunity to ALC "Mukachevo machine-building plant" to expand foreign economic relations, increase the efficiency of export operations, as well as become a means of innovative development of ALC "Mukachevo machine-building plant". From more various specialized international exhibitions in the field of mechanical engineering we have chosen the international specialized exhibition "MSV", which is held annually in the Czech Republic, M. Brno. The success of the exhibition "MSV" is confirmed by the contracts signed directly at the exhibition, positive feedback from the participating companies.

Forecasting of indicators of both export and financial results of activity of "Mukachevo machine-building plant" showed the effectiveness of the implementation of the proposed measures in the activities of the enterprise. The recommendations are aimed primarily at improving the efficiency management system of foreign trade operations of the enterprise, as well as minimizing its costs.

CONCLUSIONS

Generalizing scientific approaches to the definition of "foreign transaction", it can be concluded that the foreign trade operation is a complex of actions of the domestic importer and the foreign subject of economic activities, which fall under the definition of one of the types of foreign trade, stipulated by the Law of Ukraine "On foreign economic activity", and includes a complete one-time transfer of goods (performance of works, provision of services) and completed the calculations (money, goods and other forms) for this specific one-time transfer of goods (performance of works, rendering of services).

The efficiency of foreign trade operations is an effective sign of the enterprise's foreign trade management mechanism. The operation of the mechanism of management of foreign economic activity of the enterprise is provided by a balanced system of goals, objectives, management functions, approaches and methods, factors and criteria for assessing the effectiveness of management. The advantage of the mechanism is the direct relationship of all elements, which determines its full functioning at all stages of cyclic development, and the change of any stage determines the need for change, which ensures the self-development of the mechanism. These advantages characterize the mechanism from the standpoint of flexibility; validity; objectivity; consistency; information content; efficiency; effectiveness; integrity and cyclicity.

Structural model of the mechanism of management of foreign economic activity of the enterprise allows to justify the need of combining internal control and external evaluation of the effectiveness of output on foreign markets on the basis of a comparison of the actual values of the evaluation indicators with the normative level.

Evaluation of the effectiveness of foreign trade operations is carried out to justify the proposal to sell and buy goods, assess the structure, directions of foreign trade turnover of the enterprise. Indicators of efficiency of foreign trade operations

of the enterprise and their analysis allow to reveal benefit of operations on import and export. To assess the effectiveness of foreign trade operations, a systematic approach is used, which makes it possible to carry out a comprehensive analysis of any type of foreign trade operations. The criterion of efficiency is the maximum net income from foreign trade operations.

The company is now a first-tier supplier of high-quality welded components and to be installed for European original equipment manufacturers. It fabricates serial products for sectors such as: road transport, railway transport, construction machinery, industrial equipment and other.

During the study period, the net income from the sale of products of ALC "Mukachevo machine-building plant" increased by 30833 thousand UAH. at the same time, the net financial result in the form of profit decreased by 361 thousand UAH. The results of the analysis of financial and economic activity of ALC "Mukachevo machine-building plant" show that the company is unable to repay current (short-term) liabilities at the expense of current assets. Also, the company is not able to repay its short-term liabilities through the sale of liquid assets. The potential cash reserve of the company has decreased, the company's activities are financed mainly by borrowed funds, the financial stability of the ALC "Mukachevo machine-building plant" has deteriorated.

Management of efficiency of foreign trade operations at the "Mukachevo machine-building plant" is part of the overall management of the enterprise. When managing the efficiency of foreign trade operations, the ALC "Mukachevo machine-building plant" uses a functional approach. In particular, the company allocate planning, organization and control of foreign trade. In the process of managing the effectiveness of foreign trade operations, the ALC "Mukachevo machine-building plant" uses both complex and thematic analysis of foreign trade activities. By means of the complex analysis experts of ALC "Mukachevo machine-building plant" study set of the indicators characterizing financial activity and financial position of the enterprise for a certain period. With the help of thematic analysis study of individual indicators of the enterprise: commercial and

financial, currency, transport, or explore a certain range of functional issues within the same structure of the enterprise. Management of efficiency of foreign trade operations at the ALC "Mukachevo machine-building plant" is carried out in compliance with a number of principles: efficiency, planning, synergy, consistency and complexity, social responsibility, strategic flexibility, efficiency. Management of the efficiency of foreign trade operations at the ALC "Mukachevo machine-building plant" is a rather complex process, as a result of which a management decision is formed. Taking into account the functional approach allows the management of the ALC "Mukachevo machine-building plant" to thoroughly work out certain activities and cover the entire sphere of foreign trade. The object of management of the effectiveness of foreign trade operations are not only the processes of exchange of products, but also cause-and-effect relations of the processes of foreign trade operations.

The strategic countries with which the ALC "Mukachevo machine-building plant" cooperates are the United Kingdom, Germany and Italy. Together, these three countries account for more than 45% of the company's exports. During the study period, the geography of exports of ALC "Mukachevo machine-building plant" expanded from 9 to 14 countries. Exports increased to all countries except Spain, Sweden and Luxembourg. The greatest growth in exports has been to countries such as the UK, Germany, Finland, Norway and Italy. The results of calculations of the efficiency of export of ALC "Mukachevo machine-building plant" show that during the study period the export was effective. However, there is a tendency to decrease the export efficiency index, which negatively affects the financial results of the activities of the "Mukachevo machine-building plant". Therefore, the company needs to look for ways to improve the efficiency of foreign trade operations.

According to the results of the analysis it was revealed that in recent years there has been a decrease in the level of efficiency of foreign trade operations of ALC "Mukachevo machine-building plant". This indicates the feasibility of

implementing several measures to improve the efficiency management system of foreign trade operations of the enterprise under study.

The basis of modern marketing philosophy of ALC "Mukachevo machine-building plant" should be a comprehensive study of the market and the needs of consumers and, as a result, the organization of production activities in accordance with the results of marketing research. In our opinion, it is advisable for the company to use the services of specialists of a consulting Agency and order individual marketing research of foreign and domestic markets. According to our approximate calculations, as well as on the basis of experience in the implementation of such activities at other enterprises, marketing research will attract additional customers, including foreign ones, and increase revenue from export operations by an average of 6-7% per year.

Implementation of foreign economic activity of ALC "Mukachevo machine-building plant", production which would be competitive in foreign markets, depends not only on the technical equipment of the enterprise, the availability of modern technologies, a well-established system of product quality control, marketing research of the market environment and the consistent implementation of the concept of promotion of goods to foreign markets, but also on the skills of employees, effective personnel management. Among the existing training courses in the field of foreign economic activity, we have chosen the Supply Chain Management course for the heads of sales and supply Department, and the foreign trade Manager course for managers. Supply Chain Management comprehensive training program for managers at all levels of enterprises engaged in foreign economic activity, which covers all aspects of the management of the enterprise-the subject of foreign trade. Advanced training of personnel will not require significant costs, but the systematic implementation of the proposed activities will form a highly qualified productive team at the ALC "Mukachevo machine-building plant", which will be able to ensure the effective operation of the enterprise and increase productivity by 5%.

Actual today is construction and effective functioning of such system of information support in the sphere of foreign economic activity on ALC "Mukachevo machine-building plant" which would adapt to specifics of the Ukrainian information market and activity of the domestic industrial enterprises to become the real tool in competitive fight. Therefore, we have proposed the implementation of one of the most successful methods of planning, organization, control and evaluation of business efficiency – balanced scorecard, which can be implemented through the software "Sales Expert". The main effect of the implementation of the complex is expected to be system optimization and development of the enterprise management system. Due to this, the company mobilizes all its forces and optimally directs them to the implementation of the developed strategy.

One of the ways to improve the organization of export operations of the enterprise is to participate in international exhibitions. In our opinion, participation in specialized exhibitions with the participation of foreign enterprises will provide an opportunity to ALC "Mukachevo machine-building plant" to expand foreign economic relations, increase the efficiency of export operations, as well as become a means of innovative development of ALC "Mukachevo machine-building plant". From more various specialized international exhibitions in the field of mechanical engineering we have chosen the international specialized exhibition "MSV", which is held annually in the Czech Republic, Brno. The success of the exhibition "MSV" is confirmed by the contracts signed directly at the exhibition, positive feedback from the participating companies. The chamber of Commerce and industry in advertising exhibitions described that participation in exhibitions affects the increase in profits of the enterprise and, accordingly, the share of external orders by an average of 5-10%. According to our approximate calculations, the participation of the studied enterprise in the international exhibition will attract additional customers, including foreign ones, at least in 2020 by 3%, in 2021 – by another 4%.

Forecasting of indicators of both export and financial results of activity of ALC "Mukachevo machine-building plant" showed the effectiveness of the implementation of the proposed measures in the activities of the enterprise. The recommendations are aimed primarily at improving the efficiency management system of foreign trade operations of the enterprise, as well as minimizing its costs.

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APPENDICES

Appendix A

Aggregated statement of income (Consolidated Income Statement)**ALC «Mukachevo machine-building plant», 2013-2017, ths. UAH**

Article	Code of the row	2013	2014	2015	2016	2017
Net income from sales of goods (goods, services)	2000	13449	12122	32733	38776	44282
Cost of sold products (goods, services)	2050	10548	8682	27168	33072	38014
Gross: profit	2090	2901	3440	5565	5704	6268
Other operation income	2120	12119	2010	1798	1408	1495
Administrative expenses	2130	2192	2393	3466	4770	4956
Costs of sales	2150	311	143	255	293	302
Other operating expenses	2180	11579	2517	3329	1960	2050
Financial results from Operating activity: profit	2190	938	397	313	89	455
Financial income	2220		581		2	4
Other income	2240	13	107	89	153	165
Financial losses	2250	103	177	277	53	56
Other expenses	2270	13	96	9		
Financial result before taxes: profit	2290	835	812	116	191	568
Expenses (income) from VAT	2300	8	20	56	36	102
Net financial result: profit	2350	827	792	60	155	466

Appendix B

Aggregated statement of financial position ALC «Mukachevo machine-building plant», 2013-2017, ths. UAH

ASSETS	Code of row	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017
1	2	3	4	5	6	7
I. Non-current assets						
Intangible assets	1000	4	10	9	7	6
Initial value	1001	6	12	12	12	12
accumulated depreciation	1002	2	2	3	5	6
Capital investments in progress	1005	795	795	880	879	850
fixed assets	1010	5851	5234	5336	8961	9659
Initial value	1011	21027	20872	12883	17144	18231
wear	1012	15176	15638	7547	8183	8572
Investment property	1015					
initial cost	1016					
wear	1017					
Long-term biological assets	1020					
Long-term financial investments: accounted for using the equity method of other entities	1030					
Other financial investments	1035	1970	1970	1970	1970	1970
Other noncurrent assets	1090					
Total section I	1095	8620	8009	8195	11817	12485
II. Current assets						
Inventories and prepayments:	1100	2720	4108	2738	3688	3203
Production stocks	1101	514	667	1396	2599	2231
Work in process	1102	1942	3330	1208	1027	912
Finished product	1103	185	65	62	62	60
Goods	1104	79	46			
Current biological assets	1110					
Promissory notes received	1120					
Accounts receivable for products, goods, works, services	1125	1383	664	553	185	180
Accounts receivable on settlements: on advances paid	1130	1327	1320	1187	1782	1023
with the budget	1135	596	877	1998	1869	1652
including income tax	1136			2	23	
Other current accounts receivable	1155	609	666	718	661	649
The cash and cash equivalents	1165	835	198	2127	794	798
Cash	1166			2	1	
Bank account	1167	835	198	2125	793	798
Deferred expenses	1170				959	
Other current assets	1190	34	141	257	648	670
Total section II	1195	7504	7974	9578	10586	8175
III. Non-current assets held for sale and disposal groups	1200					

Balance	1300	16124	15983	17773	22403	20660
Continue appendix B						
1	2	3	4	5	6	7
LIABILITY	Code of row	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017
I. Equity						
Registered (share) capital	1400	600	600	600	600	600
Capital in post-assessments	1405					
Additional capital	1410	11447	11447	11447	11447	11447
Share premium	1411					
Accumulated exchange differences	1412					
Reserve capital	1415					
Undistributed profit (uncovered loss)	1420	-2988	-2542	-2538	-2360	-2415
Unpaid capital	1425					
Capital withdrawn	1430					
Other reserve	1435					
Total section I	1495	9059	9505	9509	9687	9632
II. Long-term liabilities and collateral deferred tax liabilities						
	1500					
Pension liability	1505					
Long-term Bank loans	1510					
Other non-current liabilities	1515					
Long-term collateral	1520					
Long-term provision of staff costs	1521					
Target financing	1525					
Charitable assistance	1526					
Insurance reserve	1530					
including: the provision of long-term liabilities	1531					
loss provision or the reserve proper payments	1532					
reserve of unearned premiums	1533					
other insurance reserves	1534					
Investment contract	1535					
Prize fund	1540					
Total section II	1595					
III. Current liabilities and collateral						
Short-term Bank loans	1600	2757	1928	865		
Promissory notes issued	1605					
Current accounts payable on: long-term liabilities	1610					
goods, works, services	1615	1479	965	814	748	812
settlements with the budget	1620	485	860	588	56	54
including income tax	1621		7			

End of the appendix B

1	2	3	4	5	6	7
to insurance	1625	797	1040	500	81	52
payroll calculations	1630	499	395	499	379	330
on advances received	1635	669	886	4526	10522	8854
according to calculations with participants	1640					
from internal calculations	1645					
for insurance activities	1650					
Current collateral	1660			310	12	10
Deferred revenue	1665					
Other current liabilities	1690	379	404	162	918	916
Total section III	1695	7065	6478	8264	12716	11028
IV. Liabilities related to non-current assets	1700					
Net asset value of non-state pension Fund	1800					
Balance	1900	16124	15983	17 773	22403	20660