

**Kyiv National University of Trade and Economics
Economics and Finance of Enterprise Department**

**FINAL QUALIFYING PAPER
on the topic:**

ENTERPRISE CREDIT POLICY

(based on materials of LOUIS DREYFUS COMPANY UKRAINE, LLC, Kyiv)

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INTRODUCTION

Actuality of the theme. Financial management, in particular current assets, is the most important area of activity of any market entity, and accounts receivable is an integral part of it. The current financial condition of agricultural enterprises is characterized by an increase in receivables in the structure of their assets, which leads to a slowdown in payment turnover. Therefore, there is a need to effectively manage the receivables of agricultural enterprises in order to increase their solvency.

Particularly acute and urgent is the issue of receivables management for a particular enterprise in the conditions of late fulfillment of obligations of buyers of products; overdue settlement of debt, which impairs solvency.

The formation of credit policy principles reflects the conditions of this practice and aims at improving the efficiency of the operating and financial activities of the enterprise. Synchronizing cash flows from buyers and payments to suppliers while increasing the company's gross cash flow and profit is the primary objective of credit policy. The value of the credit policy of the enterprise is determined by a large share of receivables and payables in the structure of its assets and liabilities, as well as the fact that the main components of cash flows are receipts from customers and payments to suppliers of goods, raw materials and materials.

Theoretical and methodological issues of enterprise credit policy are covered in the scientific works of M. D Bilyk, I.O. Blanc, E. Brigham, M. Golzberg, M.V. Gridchyna, O.Ye. Gudz, G.G. Kireytseva, V.V. Kovaleva, G.M. Kolpakova, O. Kontorshchikov, M.N. Kreinina, L.O. Ligonenko, O.I. Luchkova, V.O. Lyalina, A.A. Mazaraki and others.

At the same time, they have not fully investigated and generalized the features of receivables management in the agricultural sector and the directions of its provision.

The purpose and tasks. The **purpose** of the research is to substantiate theoretical and methodological provisions for substantiation approaches to the development of

credit policy on the principles of optimization of its parameters in the system of receivables management.

The following **tasks** were set and solved in the final qualifying paper in order to achieve this goal:

- to investigate the nature, factors affecting credit policy and methodological tools of credit policy analysis;
- to explore dynamics of volume and analysis of enterprise assets structure and sources of their formation
- to analyze the financial position of LOUIS DREYFUS COMPANY UKRAINE, LLC;
- to conduct diagnosis of features in the enterprise credit policy;
- to analyze the enterprise financial state in the planned period and find ways to improve the credit process of company.

The object of the research is the process of managing the enterprise credit policy.

The subject of the research is theoretical-methodological and practical aspects of enterprise credit policy of agricultural enterprises.

Empirical basis of the study: LOUIS DREYFUS COMPANY UKRAINE, LLC. Location – Kyiv, Sportyvna Square, 1-A, BC «Gulliver». Type of activity by NACE code: 46.21 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds (main); 46.90 Non-specialized wholesale trade; 52.10 Warehousing.

Methods of the research. In the process of writing a work, the following research methods were used: monographic study of literary sources, analytical method for analysis of the financial state of the enterprise, methods of statistical data processing, method of analysis and synthesis, methods of mathematical processing of research results.

The main method used during practical part was linear regression analysis compared with descriptive and inferential analyses were conducted using Microsoft Excel.

The **information base** for research are the laws of Ukraine, financial statements of LOUIS DREYFUS COMPANY UKRAINE, LLC, researches of domestic and foreign

scientists on the issues of work and materials of scientific-practical conferences.

Practical meaning. The result of the research is to substantiate the feasibility of using the agrarian sector enterprises offered methodical approaches to the effective management of accounts receivable.

Approbation. The results of the study were presented at the enterprise for their further application and published in the collection of master's articles «Economics and Finance of Enterprise» in an article on the topic: «Enterprise credit policy in the agrarian sector of the economy».

Structure of the paper. The logic of the research resulted in the structure of the work: introduction, 3 chapters, conclusions and proposals, references. Total amount of pages in the work is 55 pages.

CHAPTER 1

THEORETICAL ASPECTS OF THE INVESTIGATION ENTERPRISE CREDIT POLICY

In modern science, there are different approaches to determining the nature of credit policy management.

In the scientific work «financial management» Blank I.O. defines credit policy in relation to buyers of products as the formation of algorithms for managing current receivables, primarily related to optimizing the size and ensuring collection of buyers' debts for goods, work and services [1, p.195].

Garanina, S.A. considers credit policy as a tool for managing receivables and a set of decisions, including the duration of a company loan, credit standards, the procedure for repayment of consumer debt and estimated discounts [2].

Belozertsev V.S. defines the enterprise credit policy of the as an integral part of the financial policy of the enterprise, characterized by a set of methods, principles, procedures for interaction with customers regarding the sale of deferred payment assets and services and a system of receivables management, taking into account the factors of macro- and microenvironment, the purpose of regulation the interests of the enterprise and counterparties and ensuring the financial stability of the enterprise in the long run. [3].

B. Edwards under credit policy also understands the mechanism for managing receivables.

Therefore, based on the conclusions of foreign and domestic scientists, the credit policy of the enterprise will be considered in the context of the receivables management of the enterprise. From this, it can be noted, that the credit policy of the company includes in its structure a system of rules for building relationships with customers, which includes the procedure for debt collection.

Accounts receivable management is a dynamic financial management process and its effectiveness directly correlates with a firm's ability to realize its mission, goals, and objectives. Even profitable firms can go bankrupt if they fail to manage their accounts

receivable effectively, particularly, if they operate in rapid-growth or seasonal industries.

The main legislative act governing the accounting of accounts receivable Ukrainian Accounting Standards 10 «Accounts Receivable». Accounts receivable is defined as the sum of debts owed to an enterprise at a particular date. Debtors are all legal and private individuals who owe certain amounts of money to the enterprise due to past events [4].

The main purpose of accounts receivables management is to minimize the terms of its repayment and reduce the amount of overdue debt. It is also important not only to reduce receivables but also not to lose customers and increase sales. Receivables management involves the choice of a specific discount and credit policy for its customers, ways of repayment of debt and reduction of bad debt, as well as the choice of terms of sale that will ensure a guaranteed flow of funds [5, p. 38].

For a credit policy to be effective, it should not be static but requires review periodically to incorporate changes in a firm's strategic direction and risk tolerance as well as to ensure that the firm operates in line with competition to ensure sales and credit departments are benefiting.

The competitive nature of the business environment requires firms to adjust their policies and strategies frequently for survival and growth. Although a credit policy ensures the decision-making process is logical and simplified it is based on pre-determined parameters at a historical period in time which may not hold at the current time. Credit policy is the most important part of managing and regulating accounts receivables requires frequent reviewing to ensure a firm maintains optimal investment in accounts receivable while minimizing costs associated with credit and at the same time maximizing the benefits from accounts receivable [6].

Management of account receivables of the company in terms of its reduction is due to the reduction of issued advances, restructuring of arrears, accounting bills, the use of factoring, forfeiting, strengthening of claims against debtors. In addition, it provides for the assessment of debtors, the selection and calculation of percent discounts, the period of crediting customers to increase revenue and, accordingly, the incoming cash flow from operating activities; use of financial instruments in calculations; placement of

temporarily free funds in the deposit account with differentiation in terms and currency of the deposit; acceleration of working capital turnover, harmonization of payment terms with other parameters of enterprise activity [1, p. 196].

The issue of receivables affects the economic activity of enterprises in a special way: accounts receivable, which for a long time does not return, first of all, worsen the financial condition of the enterprise, there is a decrease in the solvency of the enterprise due to lack of money.

Besides, there is a slowdown in the turnover of funds. Because of these factors, the accounts payable of the enterprise to its suppliers' increases. Reducing the solvency of the enterprise creates the threat of deterioration of performance and inhibit its development.

Extending credit to customers is a decision based on the credit management and policy of a firm. Granting credit exists to facilitate sales. On the other hand, sales are pointless without due payment and therefore the sales and accounts receivable functions must work together to achieve the objective of sales maximization within the minimum length of time. Credit sales are a sign that the firm can maximize its sales and improve its financial performance. An increase in the level of accounts receivables in a firm increases both the net working capital and the cost of holding and managing accounts receivable and both lead to a decrease in the value of the firm. Firms who pursue an increase in the accounts receivable to an optimal level increase their profitability resulting from the increased sales and market share [7, p. 1].

Owners responsible in full for business development. That is why it is important to know in what direction your business has to rush. Policies can help with it.

General policies:

- The credit department policy shall be consistent with the overall company policy and objectives, to maximize the return on investment for the shareholders.
- In phases of its activities, the credit department shall maintain a positive approach and constructive attitude to foster goodwill promote profitable sales and help build customer relationships.

- The credit department will at all times be aware of and recognize company sales and marketing objectives and shall maintain a co-operative attitude towards the sales department and endeavor to promote sales.

- The credit department practices shall be designed to permit the maximum number of shipments to flow without interruption and without exposing the company to any unnecessary risk.

Specific policies:

- The credit department will make provision for interception when necessary as a means of protecting credit extensions and account balances in the accounts receivable. This is to be done in careful consideration due to the perishable nature of goods.

- The credit department is responsible for the collection of all accounts and for the collection of interest on overdue accounts where interest on overdue accounts is contracted in terms of the sale.

- The sales and operations department's assistance may be requested to secure the settlement of the delinquent account.

- The credit department is responsible for maintaining the shortest possible collection period.

- The credit department is responsible for keeping bad debt losses to a minimum.

- It is the responsibility of the credit department to maintain active and positive relationships with the credit community on both a local and national basis including banks, and other agents handling perishables.

- Accounts considered high risk will not be accepted.

- The credit department shall be responsible for keeping management fully informed of problem clients through regular meetings with management. The credit department is responsible for ensuring that where special conditions are set, they are fulfilled.

- The credit department will identify queries and other reasons for non-payment as best possible

- Operational and sales staff will be required to resolve queries where applicable.

- It is recommended that management review the profitability of individual clients on an ongoing basis.

Farm Finance:

- Is not meant merely for more production but also to raise the productivity of farm resources;
- Not a mere loan or advance, but it is an instrument to promote the well being of the farming community;
- Is not just science to manage the money, but is an applied science of allocating scarce resources to derive optimum output; and
- Not a mere social obligation on the society; but it is a lever with backward and forward linkages to the economic development both at the micro and macro level [8].

There are three basic types of credit policy of the enterprise in relation to buyers of products - conservative, moderate and aggressive, which characterize the principled approaches to its implementation in terms of the ratio of levels of profitability and risk of credit activity of the enterprise.

The conservative type of credit policy of the company is aimed at minimizing credit risk. Such minimization is considered as a priority goal of its credit activity. A mechanism for implementing this type of policy is a significant reduction in the number of buyers of products on credit at the expense of high-risk groups; minimizing the terms of the loan and its size; tightening of the conditions of granting the loan and raising its value; the use of rigid procedures for repayment of receivables [9, p. 228].

The moderate type of credit policy of an enterprise characterizes the conditions of its implementation in accordance with the accepted commercial and financial practice and focuses on the average level of credit risk when selling products with deferred payment.

The aggressive type of credit policy of the enterprise the priority objective of credit policy is maximizing additional profit by expanding the volume of sales of products on credit, not considering the high level of credit risk that accompanies these operations. The mechanism for implementing this type of policy is to extend credit to more risky

product buyers; extending the period of granting the loan up to the minimum allowable amounts; providing customers with extended credit [7, p. 54].

In determining the possible amount of funds invested in accounts receivable on commodity (commercial) and consumer credit, it is necessary to consider:

- planned sales volumes of products on credit;
- the average period of deferred payment for certain forms of credit;
- the average period of late payment, based on the situation, economic practice (it is determined by the results of the analysis of receivables in the previous period);
- the ratio of cost and price of sales of credit.

If the financial capabilities of the organization do not allow to invest the estimated amount of funds in full, then with the same conditions of lending, the planned volume of sales of products on credit should be adjusted accordingly [10].

The formation of the conditions of the credit relations system includes the following elements: loan term (crediting period), loan amount (credit limit), the cost of providing a loan (a system of price discounts when making immediate payments for purchased products), system of penalties for delayed fulfillment of obligations by buyers [11].

The term of the loan (credit period) characterizes the limiting period for which the buyer is granted a deferred payment for sales of products. Increasing the loan term stimulates sales volume (all things being equal), but at the same time leads to an increase in the number of financial assets invested in accounts receivable and an increase in the duration of the organization's financial and entire operating cycle. Therefore, determining the size of the credit period, it is necessary to assess its impact on the performance of economic activities in the complex [14].

The size of the granted credit (credit limit) is characterized by the maximum limit of the amount of debt of the buyer on the granted commodity (commercial) or consumer credit.

It is set taking into account the type of credit policy implemented (the level of acceptable risk), the planned volume of sales of products on terms of deferred payments, the average volume of transactions for the sale of finished goods (with consumer credit -

the average cost of goods sold on credit), the financial condition of the organization - the lender and other factors. The credit limit is differentiated by the forms of credit granted and types of sales [12, p. 42].

The cost of a loan is characterized by a system of price discounts when making immediate payments for purchased products. In conjunction with the term of the loan, this price discount characterizes the rate of interest on the loan, which is calculated for year-on-year comparisons.

When establishing the value of a commodity (commercial) or consumer loan, it should be borne in mind that its size should not exceed the level of interest rates on short-term financial (bank) credit.

Otherwise, it will not stimulate the sale of products on credit, because the buyer will be more profitable to take a short-term loan with the bank (for a term equal to the credit period set by the seller) and pay for the purchased products when buying it [13, p. 32].

It is important to determine methodological approaches to assessing the credit policy of the company:

The main tools for assessing receivables are the following ratios:

- 1) the average amount of receivables for the period;
- 2) the rate of change of average receivables for the previous periods;
- 3) the receivable turnover ratio ($Rart$), which shows the speed of collection of receivables on commodity credit from buyers:

$$Rart = I / \bar{AR} \quad (1.1)$$

where, I - income from the sale of goods, works, services;

\bar{AR} - Average receivables for the period.

- 4) accounts receivable turnover duration (TD) - the average receivable collection time, is defined as:

$$TD = P / Rart \quad (1.2)$$

where, P – the period, which is analyzing;

- 5) Ratio of diversion of current assets into accounts receivables for goods, works, services ($RCAar$):

$$RCAar = AR / CA \quad (1.3)$$

where, CA - is the total amount of current assets;

AR – total amount of accounts receivable.

6) the ratio of receivables and payables comparison (Rar/ap)

$$Rar/ap = AR/AP \quad (1.4)$$

where, AR – total amount of accounts receivable;

AP - the total amount of accounts payable.

An important step is to determine the maximum timeframe for granting product credit to buyers. This stage of realization the mechanism of crediting by the trading company is the key, as the term of granting of the commodity credit is one of the main indicators in the management of accounts receivable of the enterprise as a whole. It is by optimizing this period that the company can achieve the goals of credit policy, the target level of solvency and financial equilibrium [14, p. 228].

Determining the optimal term of a commodity loan for an enterprise should be based on the target value of the cash conversion cycle duration ratio.

The cash conversion cycle is the difference in days between how long it takes a business to get money from customers and how long suppliers are willing to wait to make payments. The difference between these periods is the length of time that requires additional funding [15].

The need for working capital and the efficient management of current assets depends on the length of the operating cycle, which is the period during which the funds are held in inventory and accounts receivable, and the cash conversion cycle is the difference between the operating cycle and the length of the accounts payable.

The duration of the operating cycle is calculated as follows:

$$DOC = DS + Dar \quad (1.5)$$

where, DS - duration of stocks turnover;

Dar - duration of receivables turnover;

The duration of the cash conversion cycle of the enterprise is determined by the following formula:

$$DFC = DOC - Dap \quad (1.6)$$

where, DOC - duration of the operating cycle;

Dap - duration of accounts payable turnover.

Factors that have influenced the occurrence and increase of receivables:

1) External factors:

- state of economy of the country;
- government policy on the development of the industry in which the enterprise operates;
- inflation,
- stability of the national currency;
- the level of development of the enterprise market;
- Tax system and changes in legislation.

2) Internal factors:

- sales volumes;
- peculiarities of marketing and credit policy of the enterprise;
- level of qualification of managers;
- maintenance of receivables;
- state of control over the receivables of the enterprise
- enterprises;
- product competitiveness.

Due to the fact that receivables inevitably lead to the occurrence of liabilities, the analysis and search for ways to reduce the former is proposed to be supplemented by an analysis of liabilities. It is considered appropriate to determine the ratio of receivables to payables in the analysis of receivables of agricultural enterprises.

Indicators of current liabilities are also an important component in analyzing an entity's credit policy, including the ability of an entity to settle its current liabilities. A series of solvency and liquidity ratios are used to analyze an entity's ability to meet its current obligations:

1) Total coverage ratio (current liquidity ratio) is defined on the balance sheet as the ratio of current assets to short-term liabilities. It describes the extent to which

current liabilities on loans and settlements of an enterprise can be repaid at the expense of all mobilized current assets [10, p. 97]

It is calculated by the formula:

$$R_c = CA / CL \quad (1.7)$$

where, CA – total amount of current assets;

CL - total amount of current liabilities;

2) The Quick Ratio - measures a company's ability to meet its short-term obligations with its most liquid assets and therefore excludes inventories from its current assets:

$$R_q = (C + AR) / CL \quad (1.8)$$

where, C - cash and cash equivalents

CA – total amount of current assets;

CL - total amount of current liabilities;

The normative value of this ratio by definition of individual economists it is not less than 0.7–0.8 [14]

3) Cash ratio is the ratio of a company's cash and cash equivalent assets to its total liabilities.

$$R_{cash} = C / CL \quad (1.9)$$

The ratio describes how short-term (current) liabilities can be repaid immediately by absolutely liquid assets. The value of this coefficient is sufficient if it exceeds 0.2 - 0, 25. [20]

In practice, the actual average values of liquidity ratios are much lower, however, this does not give grounds to speak about the inability of the company to repay its debts immediately, since it is unlikely that all the creditors of the enterprise will simultaneously present their debt requirements to it.

4) Current assets diversion rate to inventories and accounts receivables characterize the share held by the respective types of assets of the enterprise in the volume of current assets

5) The ratio of inventories in the coverage of current liabilities characterizes part of the current liabilities of the enterprise, which is covered only by inventories, as the least liquid of current assets of the enterprise [21].

6) The ratio of retained earnings to the total amount of assets is another significant indicator of solvency characterizing the degree of profit capitalization

Also important for analysis are financial sustainability ratios:

1) Financial autonomy ratio:

$$R_{fa} = OE/E \quad (1.10)$$

where, OE - Owner's equity

E – the total amount of equity;

The greater the value of the ratio, the lower the dependence of the enterprise on external sources of financing

2) The ratio of financial dependence indicates which part of the assets the company is able to finance at the expense of equity. The normative value of the ratio is 0.4 - 0.6. A lower value indicates a high level of financial risk, and a higher one may indicate a lack of full potential [21, p. 32].

It is calculated by the formula:

$$R_{cash} = OE/CL \quad (1.11)$$

where, OE - Owner's equity

CL - total amount of current liabilities;

3) Funding Ratio:

$$R_f = BE/OE \quad (1.12)$$

where, BE - amount of enterprise borrowed equity in the period under review.

The normative value of the ratio is in the range of 0.67-1.5. A value below 0.67 indicates a high level of financial risks. A value above 1.5 may indicate additional reserves of efficiency gains through borrowing.

4) Long-term financial independence ratio:

$$R_{FI} = (BE_{t-1} + OE) / A_t \quad (1.13)$$

where, BE_{t-1} - is the amount of long-term borrowing equity;

OE - Owner's equity

A - total amount of assets;

The ratio shows how much of the total value of an entity's assets is generated by the most reliable sources of financing and is not dependent on short-term borrowings.

5) The financial leverage ratio shows how much long-term borrowing is used to finance the assets of an enterprise along with its own funds.

$$R_{lev} = BE_{l-t} / OE \quad (1.13)$$

where, BE_{l-t} - is the amount of long-term borrowing equity;

CL - total amount of assets;

The financial leverage indicator characterizes the enterprise's dependence on long-term liabilities.

Consequently, stable development of enterprises of the agrarian sector of the economy is a pledge of the development of the state's economy and a determining segment of international trade in general. Therefore, in the conditions of restrictions lack of own financial resources, agricultural enterprises should be able to attract credit resources on mutually beneficial terms from the state and banks, and from other non-bank financial institutions.

CHAPTER 2

INVESTIGATION OF LOUIS DREYFUS COMPANY UKRAINE, LLC CREDIT POLICY

2.1. Dynamics of volume and analysis of enterprise assets structure and sources of their formation

Since establishing its presence in the country more than twenty years ago, Louis Dreyfus Company Ukraine, LLC (LDC) has become one of the country's largest grains and oilseeds exporters, specializing in wheat, barley, sunflower, and soybeans. This is the result of the origination capacity spanning the entire country, strategic asset base, and the skills and commitment of people. Company's local teams strive to build sustainable relationships with local farmers and the industry, complementing LDC's origination activities.

Louis Dreyfus Company Ukraine counts on best-in-class market research capabilities, unparalleled risk management and a fast-growing network of processing assets and logistics terminals to support the origination, transformation, and distribution of our products to customers around the world. Ukrainian grain production and exports are expected to grow substantially in the next few years, driven by higher yields, the proliferation of corn crops and increasingly efficient farming operations.

LDC's ongoing expansion in the country aims to address the resulting need for efficient export capabilities, through an established network that can handle large volumes of grain and oilseeds quickly and effectively.

Today, our Groups' origination and merchandising activities in grains in Ukraine are supported by five assets – this is where our local products are dried, blended and sorted by quality, ensuring we meet customers' requirements. Assets also serve as logistics hubs for the dispatch of grain exports.

In addition to Grains & Oilseeds, LDC operates two other business lines (which called Platforms) in the country: Sugar and Global Markets.

Grains & Oilseeds Platform exports sunflower oils to our end-buyers, as well as soybeans to crushing plants around the world. Over the past year, LDC's Sugar Platform succeeded in becoming one of Ukraine's main actors in the export of beet sugar to international markets. Finally, Global Markets Platform manages export business' foreign exchange risk.

In today's economic environment, the activity of every business entity is the subject of the attention of a wide range of participants in market relations (organizations and individuals) who are interested in the results of its operation. Recently, the issue of debt management has received considerable attention, the development and implementation of new, more sophisticated methods of financial analysis is a major issue in improving the process of financial management.

The guidelines are developed on the example of one of the main components of a credit policy - the policy of borrowing in credit institutions. To do this, the company analyzes the structure of the balance sheet, determines the level of the ratio of own and borrowed funds, compares borrowings and loans with the value of net assets.

Based on these data, the question of the sufficiency of own working capital or their lack is solved. In the latter case, a decision is made to attract borrowed funds, the effectiveness of different options is calculated, directions for improving credit policy are developed, and the creditworthiness of the enterprise is to determine.

Such information can be obtained by analyzing financial statements that provide a general description of the financial position of a legal entity. Financial information of Louis Dreyfus Company Ukraine, LLC for the years 2014-2018, which is presented in Appendices A-E was used for the calculations.

It is advisable to start the analysis with the dynamics of non-current and current assets volume for the selected period, which are presented in table 2.1 and table 2.2.

In the course of the study of non-current assets of the enterprise, it was revealed that over 5 years the volume of these assets has increased by 703,043 thousand UAH, which is 9,095 percent.

This situation can be explained, those that are the biggest changes were made in the volume of fixed assets in 2018, compared to 2014, namely 10 437%. From which we

can conclude that the company has decided to invest in fixed assets.

Table 2.1.

Dynamics of non-current assets volumes of Louis Dreyfus Company Ukraine at 2014-2018, kUAH

Non-current assets	2014	2015	2016	2017	2018	Deviation			
						2018/2014		2018/2017	
						absolute	gross rate, %	absolute	gross rate, %
Intangible assets	293	190	131	71	605	312	106	534	752
Construction in Progress	203	2448	2069	2363	246	43	21	-2117	-90
Fixed assets	4620	6626	6801	8087	486821	482201	10437	478734	5920
Long term financial investments: that participates in the capital of other enterprises	-	87080	220085	220085	220085	220085	100	0	0
Deferred Tax Assets	2614	2112	1793	1809	3016	402	15	1207	67
Total non-current assets	7730	98456	230879	232415	710773	703043	9095	478358	206

The smallest change in 2018 compared to 2014 was under Deferred tax assets, the difference is only 15 percent (402 thousand UAH). Also in 2015, the company arose Long-term financial investments: that participate in the capital of other enterprises and by 2018 they grew to the level of 220 085 thousand UAH. During the period under review, the largest decrease in assets was recorded in Construction in Progress in 2018, compared to 2017, which is -90%.

From 2014 to 2018, there was a moderate increase in current assets. Trends in changes in non-current assets we can see in the graph in Fig. 2.1.



Fig. 2.1. Dynamics of non-current assets volumes of Louis Dreyfus Company Ukraine at 2014-2018, kUAH

The next will be analyzing the dynamics of current asset volumes (table 2.2).

Table 2.2.

**Dynamics of current assets volumes of Louis Dreyfus Company Ukraine at
2014-2018, kUAH**

Current assets	2014	2015	2016	2017	2018	Deviation			
						2018/2014		2018/2017	
						absolute	gross rate,%	absolute	gross rate,%
Stocks	400923	534670	799205	773695	2160738	1759815	439	1387043	179
Accounts Receivable for goods and services	7855	-	-	-	7	-7848	-100	7	100
Accounts receivable (arrears) in payments: on advances issued	3815	5788	17855	41641	55767	51952	1362	14126	34
to budget	21693	21334	329842	336783	697353	675660	3115	360570	107
Including tax	92	3192	6151	-	10655	10563	11482	10655	100
from internal calculations	461333	387276	82366	149520	216383	-244950	-53	66863	45
Other current accounts receivable	13346	7574	9122	9733	20726	7380	55	10993	113
Current financial investments	-	-	-	-	680579	680579	100	680579	100
Cash and cash equivalents	17753	931	448	2368	4581	-13172	-74	2213	93
Expenses of future periods	4502	1736	1190	1430	1911	-2591	-58	481	34
Other Current Assets	157	21053	817	15833	33861	33704	21468	18028	114
Total Current Assets II	931377	980362	1240845	1331003	3871906	2940529	316	2540903	191

To analyze current assets, we have analyzed each component of this article and outlined the general trends.

In the warehouse of current assets of the company for 2018, we have increased the number of units available in 2014 to increase the availability of up-to-date storage elements: the most increased distribution is possible in accordance with the «Stocks» article, the rate of growth is 1 759 815 thousand UAH. Significant changes in the rate of growth keep up with the articles «Accounts receivable Including tax», «Other Current Assets», which have grown by 10 563 thousand and 33 334 thousand UAH.

The largest decrease in the composition of current assets in 2018 compared to 2014 occurred under «Cash and cash equivalents» and amounts to 74 percent (13,172 thousand UAH). But when comparing 2018 with 2017, it can be noted that under this article there was an increase in volume by 2 213 thousand or 93 percent.

In 2018, compared to 2017, the volume of current assets increased, namely by UAH 2 540 903 thousand. Such dynamics are due to changes in the main items, namely: Current financial investments, which arose in 2018 and amounted to UAH 680 579 thousand, Stocks of which amounted to 1 387 443 thousand UAH (179 percent) and Other Current Assets which increased by 18 028 (114 percent).

Trends in changes in current assets we can see in the graph in Fig. 2.2.

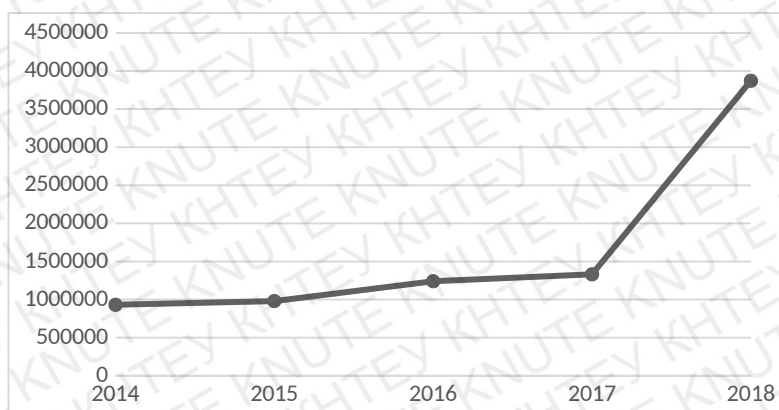


Fig. 2.2. Dynamics of current assets volumes of Louis Dreyfus Company Ukraine at 2014-2018, kUAH

It is important to determine the dynamics of an enterprise's asset structure (table 2.3).

The largest part of the structure of assets during 2014-2018 is stock, throughout the entire period they consistently occupy 43 percent of the total assets.

Also in 2014, most of the assets are accounts receivable for internal calculations, but over the course of 5 years, their volume is gradually decreasing, so in 2015 the volume decreased by 13 percent, in 2016 by 31 percent, although in 2017 a slight increase is observed, this trend disappears in 2018.

The smallest changes in the structure of assets during the study period occur as part of Intangible assets. Throughout the entire period, fluctuations in volumes do not exceed 0.01 percent.

Table 2.3.

Dynamics of an asset structure of Louis Dreyfus Company Ukraine at 2014-2018, kUAH

Assets	Specific weight					Absolute deviation			
	2014	2015	2016	2017	2018	2015/2014	2016/2015	2017/2016	2018/2017
1.Non-current assets									
Intangible assets	0.03	0.02	0.01	0.00	0.01	-0.01	-0.01	0.00	0.01
Construction in Progress	0.02	0.23	0.15	0.15	0.01	0.21	-0.08	0.01	-0.15
Fixed assets	0.49	0.61	0.48	0.52	10.62	0.12	-0.13	0.04	10.11
Long term financial investments; that participates in the capital of other enterprises	0	8.07	15.52	14.08	4.80	8.07	7.45	-1.45	-9.27
Deferred Tax Assets	0.28	0.20	0.13	0.12	0.07	-0.08	-0.07	-0.01	-0.05
2. Current assets									
Stocks	42.69	49.56	53.56	49.49	47.15	6.87	4.00	-4.07	-2.34
Accounts Receivable for goods and services	0.84	0.00	0.00	0.00	0.00	-0.84	0.00	0.00	0.00
Accounts receivable (arrears) in payments: on advances issued	0.41	0.54	1.26	2.66	1.22	0.13	0.72	1.40	-1.45
to budget	2.31	1.98	23.27	21.54	15.22	-0.33	21.29	-1.72	-6.32
from internal calculations	49.12	35.90	4.81	9.56	4.72	-13.23	-31.09	4.75	-4.84
Other current accounts receivable	1.42	0.70	0.64	0.62	0.45	-0.72	-0.06	-0.02	-0.17
Current financial investments	0.00	0	0	0	14.85	0.00	0.00	0.00	14.85
Cash and cash equivalents	1.89	0.09	0.03	0.15	0.10	-1.80	-0.05	0.12	-0.05
Expenses of future periods	0.48	0.16	0.08	0.09	0.04	-0.32	-0.08	0.01	-0.05
Other Current Assets	0.02	1.95	0.06	1.01	0.74	1.93	-1.89	0.96	-0.27
Total	100.00	100.00	100.00	100.00	100.00	X	X	X	X

To determine the relationship between assets and sources of their formation, we calculate changes in equity and current liabilities during 2014-2018 (table 2.4).

In 2018 compared to 2014, the biggest changes are made in Current payables and Other current commitments. In 2018, they grew by 2692 percent and by 1 101 percent.

With regard to current commitments, our analysis was more extensive. We have found that, in general, Short-term liabilities are characterized by a variable trend: they increase from year to year and then decrease. Thus, in 2014 their amount was 401 907

thousand UAH, whereas in 2018 it was already 3 771 394 thousand UAH, there was an increase in liabilities by 3 048 882 thousand UAH.

Table 2.4.

**Dynamics of equity and current liabilities volume of Louis Dreyfus Company
Ukraine at 2014-2018, kUAH**

Equity and current liabilities	2014	2015	2016	2017	2018	Deviation			
						2018/2014		2018/2017	
						absolute	gross rate, %	absolute	gross rate, %
1. Owner's Equity									
Shareholder's Equity	14297	14297	14297	14297	14297	-	-	-	-
Retained Earnings	522903	931085	688492	826609	796988	274085	52	-29621	-4
Total part I	537200	945382	702789	840906	811285	274085	51	-29621	-4
3. Short-term liabilities									
Short term bank loans	353006	99976	673572	585560	318610 2	2833096	803	2600542	444
Current payables for: Goods and services	3015	5338	32538	65162	84175	81160	2692	19013	0
In payments to the budget	31950	-	2	14876	-	-31950	-100	-14876	-100
In payment of salary	78	-	-	-	-	-78	-100	-	-
with advances received	-	-	-	-	23	23	100	23	100
according to the calculations with participants	-	-	64	-	-	-	-	-	-
from internal calculations	-	6027	37361	29568	449771	449771	100	420203	1421
Current security	10815	21011	20964	20274	14768	3953	37	-5506	-27
Other current commitments	3043	1084	4434	7272	36555	33512	1101	29283	403
Total part III	401907	133436	768935	722512	377139 4	3369487	838	3048882	422
Total Liabilities (and Equity)	939107	107881 8	1471724	1563418	458267 9	3643572	388	3019261	193

Such fluctuations in liabilities are mainly caused by Short-term bank loans.

Current payables from internal calculations are characterized by steady growth throughout the period. In general, their volume for 2014-2018 increased by UAH 449 771 thousand or 100%. Also in 2018 reached 0 such payables as In payments to the budget and payment of salary.

For a better understanding of the current situation, let us identify trends in the capital structure (table 2.5).

Table 2.5.

**Dynamics of equity and current liabilities structure of Louis Dreyfus Company
Ukraine at 2014-2018, kUAH**

Equity and current liabilities	Specific weight					Absolute deviation			
	2014	2015	2016	2017	2018	2015/2014	2016/2015	2017/2016	2018/2017
1. Owner's Equity									
Shareholder's Equity	1.52	1.33	0.97	0.91	0.31	-0.20	-0.35	-0.06	-0.60
Retained Earnings	55.68	86.31	46.78	52.87	17.39	30.63	-39.52	6.09	-35.48
3. Short-term liabilities									
Short term bank loans	37.59	9.27	45.77	37.45	69.52	-28.32	36.50	-8.31	32.07
Current payables for: Goods and services	0.32	0.49	2.21	4.17	1.84	0.17	1.72	1.96	-2.33
In payments to the budget	3.40	0.00	0.00	0.95	0.00	-3.40	0.00	0.95	-0.95
In payment of salary	0.01	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00
from internal calculations	0.00	0.56	2.54	1.88	9.81	0.56	1.98	-0.66	7.93
Current security	1.15	1.95	1.42	1.30	0.32	0.80	-0.52	-0.13	-0.97
Other current commitments	0.32	0.10	0.30	0.47	0.80	-0.22	0.20	0.16	0.33
Total	100.00	100.00	100.00	100.00	100.00	X	X	X	X

Changes in equity during the study period were due to Retained Earnings, so in 2015 there was an increase of 30.63 notices, but in 2016 the situation worsened and Retained Earnings decreased by 39.52 percent, in 2017 there are minor changes, namely an increase in volume by 6 percent, however, again in 2018 there is a significant decrease of 35.48 percent.

During 2016-2018, there is a gradual decrease in the share of Current security, in 2016, their share is reduced by 0.52%, in 2017 - by 0.13% and in 2018 - by 0.97%.

2.2. Assessment of enterprise financial state

In today's environment, many domestic companies are faced with the issue of low levels of asset utilization, which is a consequence of outdated, long-lasting infrastructure, and a severe shortage of assets that are more diverted to lending to consumers of finished goods. Asset efficiency has a significant impact on the liquidity and solvency of businesses and, as a consequence, on their financial and economic performance.

An important step after analyzing enterprise receivables and payables is to investigate the effectiveness of the enterprise's current obligations.

Solvency and liquidity are both terms that refer to an enterprise's state of financial health, but with some notable differences. Solvency refers to an enterprise's capacity to meet its long-term financial commitments. Liquidity refers to an enterprise's ability to pay short-term obligations; the term also refers to a company's capability to sell assets quickly to raise cash [22, p. 39].

An analysis of the entity's ability to pay its current obligations is given in table 2.6.

Table 2.6.

Liquidity and solvency ratios of Louis Dreyfus Company Ukraine at 2014-2018

Coefficient	Normative value	2014	2015	2016	2017	2018	Absolute deviation			
							2015/2014	2016/2015	2017/2016	2018/2017
Total coverage ratio	> 2	2.32	7.35	1.61	1.84	1.03	5.03	-5.73	0.23	-0.82
The Quick Ratio	> 0.7	1.31	3.17	0.57	0.75	0.26	1.86	-2.60	0.18	-0.48
Cash ratio	> 0,2-0,25	0.04	0.01	0.00	0.00	0.00	-0.04	-0.01	0.00	0.00
Current assets diversion rate:	-	-	-	-	-	-	-	-	-	-
To inventories	-	2.34	2.02	1.77	2.02	2.12	-0.32	-0.24	0.25	0.10
To accounts receivables	-	1.83	2.32	2.83	2.48	3.91	0.49	0.50	-0.35	1.43
ratio of inventories in the coverage of current liabilities	-	1.00	4.01	1.04	1.07	0.57	3.01	-2.97	0.03	-0.50
The ratio of retained earnings to the total amount of assets	-	0.56	0.86	0.49	0.53	0.17	0.31	-0.38	0.04	-0.35

The value of the coverage ratio for the analyzed period is greater than the normative value (2) only in 2014 and 2015, during the next three years the activity index of the enterprise does not reach the norm, that means that the enterprise has an illiquid balance.

Most often, this ratio is used to assess the risk of credit. It shows the extent to which current payables are secured by current assets and, therefore, the extent to which the creditor is insured against losses due to failure to comply with the terms of the loan agreement.

The Quick Ratio in 2016 and 2018 indicates that the company is unable to repay its liabilities at the expense of the most liquid working capital. But in 2014, 2015 and 2017 the ratio is 1.31, 3.17 and 0.75 respectively, which is within the regulatory limits and means that the company is able to repay its short-term liabilities at the expense of cash and receivables.

From the table we can conclude that the company has an unfavorable situation with liquidity. Thus, during 2014-2015, the situation with absolute liquidity has been steadily worsening, and since 2016, the ratio has reached a value of zero and in the following years, the situation has not improved. The actual value of the absolute liquidity ratio throughout the period under review remains well below normal. Therefore, we conclude that the company is not able to immediately repay its current liabilities.

The ideal ratio for retained earnings to total assets is 1:1 or 100 percent. However, this ratio is virtually impossible for most businesses to achieve. Thus, a more realistic objective is to have a ratio as close to 100 percent as possible.

As we can see, the company approached close to 100 percent only in 2015, but during 2014, 2016 and 2017 the ratio is about 50 percent, the lowest value is observed in 2018 and is equal to 17 percent.

For better understanding of the financial situation in the company during 2014-2018, we calculate the financial sustainability ratios (table 2.7).

In 2014 and 2015, the Financial Autonomy Ratio was greater than 0.5, namely 0.57 and 0.88, respectively, which indicated the independence of the company from borrowed sources of financing. However, in 2016 this ratio decreased to 0.48, a slight

improvement occurred in 2017. In 2018, the trend did not persist and the ratio decreased significantly to the level of 0.18, which indicates acute financial instability. The ratio decreased by 0.36 compared to 2017.

Table 2.7.

Financial sustainability ratios of Louis Dreyfus Company Ukraine at 2014-2018

Coefficient	Normative value	2014	2015	2016	2017	2018	Absolute deviation			
							2015/2014	2016/2015	2017/2016	2018/2017
Financial autonomy ratio	> 0,5	0.57	0.88	0.48	0.54	0.18	0.30	-0.40	0.06	-0.36
The ratio of financial dependence indicates	4-6	1.34	7.08	0.91	1.16	0.22	5.75	-6.17	0.25	-0.95
Funding Ratio	0,67-1,5	0.75	0.14	1.09	0.86	4.65	-0.61	0.95	-0.23	3.79
Long-term financial independence ratio	-	0.57	0.88	0.5	0.54	0.18	0.30	-0.38	0.04	-0.36

The coefficient of financial dependence indicates that at UAH 1 in 2014, the company's equity amounted to UAH 1.34 borrowed funds. In 2015, the value increased to UAH 7.08. borrowing, and in 2016 this ratio decreased by UAH 0.91 and has reached a value less than 1, which is a negative trend and indicates an increase in borrowed funds. In 2018, a record low of 5 years was reached, amounting to UAH 0.22. The largest fluctuations are observed in 2015 and 2016.

Based on the study, we can conclude that in 2014 the position of the company was quite stable, since the value of the financing ratio is within the normative value, but in 2015, there is a decrease in the indicator. At the end of 2019, we can see a significant increase of the indicated indicator, which increased by 0.95 and stands at 1.09, which returns it within the normative value.

As the company lacks long-term liabilities, the total value of the assets of the enterprise is not formed at the expense of the most reliable sources of financing and depends on short-term borrowings.

Summarizing the results of the study, we can conclude that the enterprise has a poor state of solvency and liquidity.

It is also important to understand a company's ability to generate earnings relative to its revenue, operating costs, balance sheet assets, and owner's Equity over time, using data from a specific point in time (table 2.14).

Table 2.14.

Dynamic of profitability of Louis Dreyfus Company Ukraine at 2014-2018

Ratio	2014	2015	2016	2017	2018	Absolute deviation			
						2015/2014	2016/2015	2017/2016	2018/2017
Return on Equity	0.86	0.43	0.31	0.35	-0.04	-0.43	-0.13	0.04	-0.38
Return on Assets	0.49	0.38	0.15	0.19	-0.01	-0.12	-0.23	0.04	-0.19
Return on Investment	0.21	0.23	0.20	0.13	0.08	0.03	-0.03	-0.07	-0.05
Net Profit Margin	0.09	0.10	0.06	0.04	-0.01	0.01	-0.04	-0.01	-0.05
Operatin margin	0.11	0.12	0.07	0.05	-0.01	0.01	-0.05	-0.02	-0.06
Operating Expenses Ratio	2	20.45	22.66	11.17	-0.02	18,45	2.21	-21.55	-1.13
Capital Loss Ratio	0.00	0.00	0.00	0.00	-0.04	0.00	0.00	0.00	-0.04

Profitability ratios show how well a company utilizes its assets to produce profit and value to shareholders. A higher ratio or value is commonly sought-after by most companies, as this usually means the business is performing well by generating revenues, profits, and cash flow.

Return on Equity had greatest significance in 2014. Over the next two years, the indicator is gradually deteriorated in 2017 there is a minor improvement, but to continue this trend and could not figure decreased to -0.04.

Also significant fluctuations occur on Return on Assets. in 2014, this indicator was also the highest, but in 2018, the figure for the first time reached the lifting value

The lower operating expenses ratio is better as a higher ratio leaves a small amount of revenue for covering financial expenses and tax in case of companies. The highest value is getting in 2016, in 2017 and 2018 is beginning to decline, which is a positive trend for the company

2.3. Diagnosis of features in the enterprise credit policy

The main issue of managing the receivables of the enterprise and current assets as a whole is to increase the efficiency of their use, that is, to obtain the maximum result with minimal investment in current assets.

Effective use of current assets is their functioning, which ensures a stable state of financial resources and achieves the highest results of activity at the lowest cost of the enterprise. To analyze the factors that influence the decision making of the selected credit, it is necessary to identify trends in the duration of the operating and cash conversion cycle. As noted in the first section, we need to define accounts receivable turnover duration and stock turnover duration

These ratios are calculated in the table 2.8.

Table 2.8.

The analysis accounts for the receivable turnover duration and stock turnover duration of Louis Dreyfus Company Ukraine at 2014-2018,

Coefficient	2014	2015	2016	2017	2018	Absolute deviation			
						2015/2014	2016/2015	2017/2016	2018/2017
receivable turnover ratio	9.11	9.20	8.40	13.37	5.87	0.08	-0.80	4.97	-7.50
accounts receivable turnover duration, days	39.51	39.15	42.87	26.93	61.30	-0.36	3.72	-15.94	34.37
Stock turnover ratio	16.27	9.17	5.48	8.36	3.08	-7.10	-3.69	2.87	-5.28
stock turnover duration, days	22.12	39.25	65.68	43.09	116.92	17.13	26.44	-22.60	73.83

It can be noted that in 2018 the turnover periods of both articles increased substantially, the receivables period increased by 34.37 days, and the inventory turnover period increased by 73.83 days

Also during the study period, changes in the length of the receivable turnover period amounted to at least 16 days, while fluctuations in the inventory turnover period are more than 84 days

Even analyzing inventory turnover and accounts receivable turnover, it is difficult to keep track of any persistent upward or downward trends, which can be caused by a

lack of stability in the business.

The assessment of financial activity in relation to cash circulation at an enterprise is carried out using the indicator of the duration of the cash conversion cycle, which characterizes the average duration between the outflow of cash in connection with the implementation of current production activity and their inflow because of production and economic activity.

The reason for the importance of the operating cycle is that it determines the firm's need for current assets. As a result, an entity with a short operating cycle ensures a high asset turnover. It can operate with relatively small current assets and is characterized by relatively lower current and intermediate liquidity ratios. A relatively short operating cycle, as a rule, indicates the effective management of accounts receivable and inventory.

Now we have all the data we need to calculate the duration of the operating cycle, but to calculate the cash conversion cycle it is needed to understand the duration of accounts payable turnover (table 2.9).

Table 2.9.

Duration of accounts payable, operating and cash conversion cycle of Louis Dreyfus Company Ukraine at 2014-2018

Coefficient	2014	2015	2016	2017	2018	Absolute deviation			
						2015/2014	2016/2015	2017/2016	2018/2017
Payables turnover ratio	163.03	184.92	89.89	73.19	14.04	21.89	-95.03	-16.70	-59.15
Accounts payable turnover duration, days	2.21	1.95	4.00	4.92	25.64	-0.26	2.06	0.91	20.72
Duration of the operating cycle	61.63	78.40	108.55	70.01	178.22	16.77	30.15	-38.54	108.21
Duration of the cash conversion cycle	59.42	76.45	104.55	65.09	152.58	17.03	28.09	-39.45	87.48

For the specified period, the minimum duration of the operating cycle is observed in 2014 and is 360 days. Over the 5 years, its duration of accounts payable turnover has been increasing, the largest change occurred in 2018 (307 days), in 2018 it increased 108 days and reached its maximum level in 178 days.

This change can be explained by the increase in finished goods and goods in stock. This indicator is a negative characteristic of the enterprise. Because with the increase in the duration of the operating cycle, all things being equal, the time between the purchase of stocks and receipt of revenue increases, resulting in reduced profitability.

An important step in the analysis of receivables is to calculate the ratio of diversion of current assets into accounts receivables and the ratio of receivables and payables comparison (table 2.10).

Table 2.10.

Assessing receivables of Louis Dreyfus Company Ukraine at 2014-2018

Coefficient	2014	2015	2016	2017	2018	Absolute deviation			
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Ratio of diversion of current assets into accounts receivables	0.55	0.43	0.36	0.40	0.26	-0.11	-0.07	0.05	-0.15
Ratio of receivables and payables comparison	14.50	37.41	6.37	4.91	1.87	22.91	-31.04	-1.46	-3.03

According to the study, we can conclude that the volume of receivables exceeds payables throughout the study period.

Credit policy is closely linked to the firm's marketing policy. The main strategic goals of credit and marketing policies are aligned and aimed at increasing sales and profitability of sales and assets of the enterprise. During the formation and implementation of credit policy, it is necessary to ensure the full cooperation of marketers and financiers, and the credit and marketing policy of the firm should be considered, an integral part of the products and services it sells. Credit policy can have a significant impact on sales, and the provision of commodity credit is one of the important factors influencing the level of demand for enterprise products. It is the marketing analysis that should become the initial basis for developing a credit policy mechanism that will allow, in the subsequent stages, to justify credit decisions regarding

the conditions of lending to potential consumers based on the forecast of intensification of the sales process. Estimates should be based on a study of consumer behavior, competitive climate, business practices in the industry, and customer characteristics (for example, the dominance of buyers of powerful network operators that only work on deferred payment). In the presence of baseline data in the course of marketing analysis, it is necessary to establish the relationship between the conditions of sale of products, works, services of the firm with different forms of payment and demand for products and volumes of its sale. It is advisable to use economic and mathematical methods, in particular, the method of correlation (regression) analysis, to identify and evaluate such dependence in quantitative terms.

Based on the results of the marketing analysis determine the terms of the commercial loan. This should take into account the financial condition of the enterprise itself (liquidity of the company, lack / excess of working capital, possibility of attracting additional financing, etc.)

The terms of the commercial loan provide for the establishment of a deferred payment period to different categories of buyers by the criteria of creditworthiness and discount system for timely payment of products. It is possible to determine the price for buyers with immediate payment and interest rates for providing a commercial loan (deferred payment) at the same time. For regular clients of large parties, it is advisable to open credit lines - the maximum amount for which credit can be given to a specific client - in order to shorten the procedure for sending goods.

The terms of the sale determine the size of the loan, but do not specify the substance of the contract, that is, the commercial loan instruments through which the enterprise minimizes financial risks. Minimizing risks should not adversely affect customer behavior.

It is possible to minimize credit risks by obtaining from the client any security of his payment obligations for the goods received. Such security may be: bank guarantee, surety of any reputable company based on the concluded contract, simple or bill of exchange. A commercial risk insurance contract may also minimize the risks, but such practices in Ukraine are still poorly practiced and need further development.

In order to assess the advisability of providing a loan to the consumer, it is necessary to determine on what financial terms loans are provided to Louis Dreyfus Company Ukraine by international banks.

In Ukraine, the company cooperates with several banks. Each has a line of credit that it can use for production needs. The total credit limit at the end of 2018 is \$ 125 million. Thus, at Alfa Bank, the company has a limit of \$ 25 million, in OTP bank- \$ 35 million, in Ukreximbank - \$ 25 million, and in Oschadbank (State Savings Bank of Ukraine) the largest credit line is \$ 40 million. Each credit line has its own validity (the longest - 2 years) and at the end of the term can be extended or closed, subject to full repayment of debt on credits and accrued interest. As an example, we can consider the dynamics of changes in credit lines for five years (table 2.11).

Table 2.11.

**Dynamics of the credit lines of Louis Dreyfus Company Ukraine at 2014-2018,
kUAH**

Bank lines	2014	2015	2016	2017	2018	Absolute deviation			
						2015/2014	2016/2015	2017/2016	2018/2017
Alfa Bank	10000	10000	15000	15000	25000	0	5000	0	10000
OTP bank	15000	15000	25000	30000	35000	0	10000	5000	5000
Ukreximbank	15000	20000	25000	25000	25000	5000	5000	0	0
Oschadbank	25000	35000	35000	40000	40000	10000	0	5000	0
Total lines	65000	80000	100000	110000	125000	15000	20000	10000	15000

According to the table, we can see that in 2014 the company had the smallest amount of credit lines for the period under study, totaling \$65 million. The total volume was increased by \$15 million (compared to 2014), the change due to Ukreximbank (+\$5 million) and Oschadbank (+\$10 million).

In 2016, credit line growth peaked over 5 years (+20 million). The largest change was in OTP bank and amounted to 10 million.

The increase in 2017 is 10 million, and in 2018, 15 million.

As none of the banks reduced, the line provided during the whole period, and on the contrary for each of the banks was given the opportunity to attract new financial resources, we can conclude that the company's partners are confident in its optimistic

financial position.

It will be interesting to examine the average monthly volume of loans taken by the company, the rates used for these loans and the total interest paid in 2014-2018. These data are shown in table 2.12. and table 2.13.

Table 2.12.

Cost of funding Louis Dreyfus Company Ukraine at 2014-2018

Year	Average monthly loan, kUAH	Interest Expense, kUAH	Interest Rate (average) %
2014	4,054,327.25	(62,404.00)	18.12%
2015	852,516.47	(12,518.00)	17.29%
2016	930,177.64	(9,630.00)	12.19%
2017	3,646,706.33	(29,991.00)	9.68%
2018	11,310,385.68	(168,584.00)	17.55%
Total UAH	20,794,113.36	(283,127.00)	16.03%

According to the table, we can see a gradual decrease in interest rates over the 2014-2017 period. Therefore, the cost of financing has changed from 18.12% per annum to 9.68%. However, in 2018, the rate significantly increases by 7.9% and reaches 17.55%.

Table 2.13.

Dynamic in cost of funding Louis Dreyfus Company Ukraine at 2014-2018

Criterion	Deviation							
	2015/2014		2016/2015		2017/2016		2018/2017	
	absolute	gross rate, %	absolute	gross rate, %	absolute	gross rate, %	absolute	gross rate, %
Average monthly loan	-3201810.78	-78.97	77661.17	9.11	2716528.69	292.04	7663679.35	210.15
Interest Expense	-49886.00	-79.94	-2888.00	-23.07	20361.00	211.43	138593.00	462.12
Interest Rate	-0.008	-4.602	-0.051	-29.494	-0.025	-20.562	0.079	81.238

In 2015, compared to 2014, the Average monthly loan decreased by 78.97 percent. This means that during this period the company has found sources for financing its activities that are different from short-term bank loans. However, since 2015, there is a trend towards a significant increase in bank loan volumes. This may be due to the gradual decline in loan rates.

CHAPTER 3

WAYS TO IMPROVE THE CREDIT PROCESS OF LOUIS DREYFUS COMPANY UKRAINE, LLC

A large impact on the turnover of capital invested in current assets, and therefore on the financial position of the enterprise, has an increase or decrease in accounts receivable. Its value depends on the volume of sales, the terms of payment with customers (prepayment, subsequent payment), the period of deferred payment, payment discipline of buyers, the organization of control over the state of accounts receivable and claim work at the company, etc. The sharp increase in accounts receivable and its share in current assets may indicate an inadvertent credit policy of the enterprise with respect to customers or an increase in sales volume, or the insolvency and bankruptcy of part of buyers.

The decrease in receivables is assessed positively if it is due to the shortening of its repayment period. If the receivables decrease due to the decrease in the shipment of products, then this indicates a decrease in business activity of the enterprise.

The organization of accounts receivable includes the following tasks:

- defining the objects of the accounting policy of receivables;
- accurate, timely and complete display of the transaction related to accounts receivable;
- determination of the classification features of receivables;
- Choosing a method of forming a doubtful debt reserve;
- reporting on accounts receivable, etc. [32, p. 1].

The classification of accounts receivable is of great importance for the organization of accounting and analysis of payments with buyers and customers. The proper classification of accounts receivable, as well as the correctly selected classification features will depend not only on the order of its accounting in general or its individual component, but also on the effectiveness of its management. Consideration should be given to choosing payment forms with buyers and customers.

In order to improve the system of accounting of accounts receivable, we can recommend:

1. Develop a set of measures to:
 - search for opportunities to increase the number of customers and customers of the enterprise in order to reduce the risk of debt repayment;
 - constant monitoring of potential debtors (assessment of financial position and solvency, market reputation, image, etc.).
2. To create a reserve of doubtful debts and to determine the procedure for its determination in the accounting policy of the enterprise.
3. Timely control of the ratio of receivables and payables. Significant excess of actual receivables creates a threat to the financial stability of the enterprise and makes it necessary to attract additional sources of financing.
4. Management in limiting accounts receivable both in total amounts and in the calculation of one debtor (existing or potential) and periodically revise the marginal amounts.
5. Debt inventory systematically.

Based on the above information, it should be noted that in order to improve the accounting of accounts receivable and decide on its repayment, the management of the enterprise must have reliable information about all the settlements of enterprises for a specific period. This will clearly identify the cash flows of the enterprise and minimize the risk of arrears.

An equally important issue in the organization of debt accounting is the study of its classification. Summarizing the materials of legislative, regulatory and scientific sources, we propose to classify receivables:

1. By maturity:
 - long-term receivables - the amount of receivables that do not arise during the normal operating cycle and will be repaid after two months;
 - short-term (current) receivables - the amount of receivables that arises during the normal operating cycle or will be repaid within twelve months from the balance sheet date.

In turn, current accounts receivable for the purpose of determining the allowance for doubtful debts can be divided into groups by maturity, for example: debt with a maturity of up to 30 days; arrears with maturity from 31 to 60 days; arrears with maturity from 61 to 90 days; arrears with maturity over 90 days; arrears with maturity from 91 to 180 days; arrears with maturity from 181 to 360 days; arrears with a maturity of more than 360 days [28].

2. On timely repayment: - accounts receivable for which the term of payment has not come; - extended (reissued for a new term) accounts receivable - accounts receivable which have been deferred for a certain period of time; - overdue receivables - receivables that are not repaid on time [30, p. 1].

3. Probability of redemption: - normal (with high probability of redemption); - doubtful - receivables for which there is uncertainty about its repayment by the debtor; - bad debt - receivable, which is convinced of its default or when the statute of limitations has expired. Some authors consider doubtful and bad debt a type of accounts receivable, unpaid on time, i.e. overdue or prolonged. However, it is also doubtful or hopeless to have a receivable that is not past due, for example if the debtor which became bankrupt [31].

4. By object of occurrence: receivables for goods, works, services; accounts receivable on employee benefits; tax receivables; accounts receivable on social payments; accounts receivable on advances issued; accounts receivable on accrued dividends, interest, royalties and other income; accounts receivable on unpaid capital; accounts receivable on claims; accounts receivable for damages; accounts receivable on promissory notes and the like.

5. By type of counterparty: accounts receivable of buyers (consumers); receivables from suppliers; accounts receivable of employees; receivables from the budget; accounts receivable from social security funds; accounts receivable from owners (shareholders); accounts receivable of subsidiaries; trade union accounts receivable and the like [32, p. 4].

6. By security: - unsecured accounts receivable; - accounts receivable, secured by: security deposit, promissory note, insurance, surety, guarantee, etc.

In today's environment, businesses often carry out business operations that are not normal in terms of operating activities, may have a non-systematic nature and even signs of fictitiousness. For example, at the end of the reporting period an enterprise transfers an advance to a specific counterparty, but in the subsequent period, instead of goods (works, services), receives an advance. Such transactions are mainly carried out between the related property relations of the entities in order to artificially increase the value or structure of their assets, reduce their tax liabilities and so on. The resulting debt is also artificially generated, often repaid at the beginning of the next reporting period, or converted into financial assets - promissory notes or other securities. Management of such debts is carried out according to a predetermined algorithm, so they must be separated from the total amount of arrears of the enterprise, which causes the need to distinguish the sign of debt classification «nature of origin», according to which the debt is divided into objective and artificially formed.

In our opinion, the following recommendations can be made to improve the debt accounting system:

- Timely and periodically monitor the ratio of receivables and payables. After all, a large excess of accounts receivable creates a threat to the financial stability of the enterprise and requires the involvement of additional sources of financing.
- To create a reserve of doubtful debts and to establish the procedure for its determination in the accounting policy of the enterprise. The provision for doubtful debts should be formed in the context of each of the debtors, according to the timing of repayment of receivables and depending on the size of the enterprise and the volume of activity. This will allow information to be received on receivables that is considered doubtful; on amounts of written off receivables within and above the reserve of doubtful debts; the amount of debt previously declared uncollectible

Ultimately, the effectiveness and control of the receivables management affects the financial results of the enterprise. Therefore, financial managers must constantly monitor the status of accounts receivable, the general structure of current assets, the effectiveness of their use.

It is possible to estimate the forecast values of the performance indicators for managing the economic potential of the enterprise only on the basis of the results of development of the planned balance sheet and the report on the financial results of the enterprise.

Therefore, the proceeds from the sale of products of Louis Dreyfus Company Ukraine in 2019 can be predicted as follows:

1. Determination of the growth rate of sales of products by the geometric mean (Gr):

$$Gr = \sqrt[4]{\frac{4517687}{4369695}} = 1,01 \quad (3.1)$$

2. Calculation of net income (revenue) from the sale of products of Louis Dreyfus Company Ukraine using average growth rate:

$$\text{Revenue} = 4\,517\,687 * 1,01 = 4\,555\,462 \text{ kUAH}$$

The cost of sales is taken at 92% (4 186 565 / 4 517 687). Therefore, in the planned 2019, its value will be – 4 191 025 kUAH (4 555 462 * 0.92).

The gross profit of of Louis Dreyfus Company, LLC in 2019 will be:

$$GP = 4\,555\,462 - 4\,191\,025 = 364\,437 \text{ kUAH}$$

Other operating income in 2018 can be determined using the same methodology as net income from the sale of products:

1. Determining the growth rate of other operating income by geometric mean (Gr):

$$Gr = \sqrt[4]{\frac{111733}{372796}} = 0.74 \quad (3.2)$$

2. Calculation of other operating income of Louis Dreyfus Company Ukraine using average growth rate:

$$\text{Other operating income} = 111733 * 0.74 = 82\,672 \text{ kUAH}$$

Louis Dreyfus Company LLC plans to keep up with administrative, sales and other operating expenses. Therefore, these cost categories in 2018 can be determined in a similar manner to net income from the sale of products:

1. Determining the growth rate of administrative expenses by geometric mean (Gr):

$$Gr = \sqrt[4]{\frac{60026}{19678}} = 1.32 \quad (3.3)$$

2. The calculation of the administrative expenses of Louis Dreyfus Company LLC for the application of average growth rate:

$$\text{Administrative costs} = 60026 * 1.32 = 79\,328 \text{ kUAH}$$

3. Determining the growth rate of selling expenses by geometric mean (Gr):

$$Gr = \sqrt[4]{\frac{280654}{341136}} = 0.95 \quad (3.4)$$

4. The calculation of the selling expenses of Louis Dreyfus Company LLC for the application of average growth rate:

$$\text{Sales costs} = 280\,654 * 0.95 = 267\,290 \text{ kUAH}$$

5. Determining the growth rate of operating expenses by geometric mean (Gr):

$$Gr = \sqrt[4]{\frac{111909}{97234}} = 1.04 \quad (3.5)$$

6. The calculation of the operating expenses of Louis Dreyfus Company LLC for the application of average growth rate:

$$\text{Operating expenses} = 111\,909 * 1.04 = 115\,912 \text{ kUAH}$$

Overall, in 2019, Louis Dreyfus Company LLC will receive a negative financial result from operating activities in the amount of:

$$\text{FRoa} = 364\,437 + 82\,672 - 79\,328 - 267\,290 - 115\,912 = -15\,421 \text{ kUAH}$$

Louis Dreyfus Company LLC plans to increase financial income to 56 500 kUAH, to retain other income (2 521 364 kUAH) and financial expenses (194,806 kUAH) at the level of the previous year, and plans to reduce other expenses to the level 2 300 000 kUAH.

Thus, company will receive the following financial result before tax:

$$\text{FRBT} = -15\,421 + 56\,500 + 2\,521\,364 - 194\,806 - 2\,300\,000 = 67\,637 \text{ kUAH}$$

The 18% profits tax will be:

$$\text{PT} = 67\,637 * 0,18 = 12\,175 \text{ kUAH}$$

In the planned year, Louis Dreyfus Company LLC will receive a net profit of:

$$\text{NP} = 67\,637 - 12\,172 = 55\,463 \text{ kUAH}$$

Information about sales volumes of Louis Dreyfus Company LLC and its financial results in 2019 are given in Appendix A.

We calculate net capitalized profit in 2018 and profit for consumption.

To calculate profit sharing, it is necessary to determine its capitalization ratio in 2018 and, according to it, to calculate the amount of net profit allocated to the consumption and accumulation fund:

- 1) capitalization ratio = $(796\,988 - 826\,609) * 100 / (-29\,621) = 100\%$
- 2) Profit sharing in 2019 based on the planned capitalization ratio:

Net profit (Capitalized) = $55\,463 * 1 = 55\,463$ kUAH

The next step in planning the financial and economic activity of the company is to calculate the planned values of the assets of Louis Dreyfus Company Ukraine.

The planning of the intangible assets of Louis Dreyfus Company Ukraine in 2019 should be carried out by the method of direct techno-economic calculations on separate items. The enterprise plans to purchase intangible assets over the next year, resulting in a total value at initial cost of 1,719 kUAH. An enterprise uses a straight-line method of depreciation in its practice.

Given the intangible assets in the planning period, we plan the amount of depreciation in accordance with the accounting policy of the enterprise, it will be 929 kUAH. Then the residual value of intangible assets at the end of the planning period, taking into account the accumulated depreciation will be 790 kUAH

As for fixed assets, the company does not plan to purchase new equipment. Depreciation for existing fixed assets is assumed at the level of the previous year - 2756 kUAH. Then their residual value at the end of the planning period will be - 484 065 kUAH.

Louis Dreyfus Company Ukraine to retain long-term financial investments accounted for under the equity of other entities and increase Deferred Tax Assets to 3,500 kUAH.

Thus, the planned volume of non-current assets at the end of the planning period will be 708,686 kUAH (table 3.1).

Table 3.1.

**The volume of non-current assets of Louis Dreyfus Company Ukraine at 2019,
kUAH**

Non-current assets	End of the planning period
Intangible assets	790
Purchase Value	1719
Accumulated Depreciation	929
Construction in Progress	246
Fixed assets	484065
Purchase Value	498660
Accumulated Depreciation	14595
Long term financial investments: that participates in the capital of others enterprises	220085
Deferred Tax Assets	3500
Total part I	708686

It is necessary to plan the volume and structure of current assets of the enterprise and sources of their formation. Planning is carried out using the economic-statistical method. It is advisable to carry out the transfer of changes in the volume of current assets in connection with the volume of activity of the enterprise. This is ensured through the use of a turnover period for individual items of current assets.

The formula for calculating the planned volume of current assets based on the turnover period:

$$CA_{ipl} = DT_i / A_{od} \quad (3.6)$$

where, CA_{ipl} - i -th item of current assets in the planned period, kUAH

DT_i - the period of turnover of the i -th item of current assets in the reporting period

A_{od} . - one-day activity in the planned period, kUAH.

In this formula, in the calculation of one-day activity, as well as the period of turnover of individual items of current assets, the net income or cost of goods (works, services) sold is used.

Interim results of calculations of the periods of turnover of individual components of current assets are presented in table. 3.2.

Table 3.2.

Turnover duration of assets of Louis Dreyfus Company Ukraine in reporting period, days

Assets	turnover duration in reporting period, days
Stocks	117
Accounts receivable (arrears) in payments: on advances issued	4
to budget	41
from internal calculations	15
Other current accounts receivable	1
Current financial investments	27
Cash and cash equivalents	0.3
Expenses of future periods	0.1
Other Current Assets	2

Based on the estimated turnover periods, the volume of current assets for the planned period is determined. The planned amount of inventories and finished products is calculated as the product of their turnover period for the reporting period and the one-day sales volume at cost:

The planned volumes for other components of the enterprise's current assets are calculated as the product of their period of turnover of the reporting period and one-day net income from the sale of products in the planned period. The results of the justification of the planned volume of current assets are presented in table 3.3.

Table 3.3.

Results of calculation of planned volumes of current assets of Louis Dreyfus Company Ukraine at 2019, kUAH

Assets	End of planned period
Stocks	1 361 126
Accounts receivable (arrears) in payments: on advances issued	49 111
to budget	521 391
from internal calculations	184 481
Other current accounts receivable	15 357
Current financial investments	680 579
Cash and cash equivalents	4 619
Expenses of future periods	1 911
Other Current Assets	33 861
Total Current Assets	2 852 437

The planned volume of assets of the enterprise is the sum of the planned volumes of irreversible and circulating components:

$$708\,686 + 2\,852\,437 = 3\,561\,123 \text{ kUAH}$$

The planned amount of capital of the enterprise, which must correspond to the planned amount of its assets, is calculated according to its main components.

The justification of the planned amount of equity is carried out using the method of direct technical and economic calculations. During the planning period, the company does not envisage changes in the authorized capital, revaluation capital, additional and reserve capital, that is, their volume during this period will remain equal to the volume of the reporting period. Planned retained earnings are planned based on its capitalization.

Thus, the equity of the company in 2019 is equal to:

$$14\,297 + 796\,988 + 55\,463 = 866\,748 \text{ kUAH.}$$

Louis Dreyfus Company Ukraine does not plan to receive additional long-term and t plans to reduce the volume of short-term loans to the level of 2 328 584 in 2019 kUAH.

The next step in the justification of the planned amount of capital is to determine the planned amount of current liabilities, in particular, their component, which has a direct relationship with production and sales: Current accounts payable for goods, works, and services.

It is advisable to determine its planned volume in conjunction with the volume of sales revenue at cost: based on the timing of the accounts payable in the reporting period.

The period of turnover of individual components of accounts payable is calculated by dividing the average value of the amount of accounts payable by the volume of cost of sales and multiplying the result by 360 days.

The results of the calculation of turnover periods are presented in table. 3.4.

Table 3.4.

Turnover duration of payables of Louis Dreyfus Company Ukraine in reporting period, days

Payables	turnover duration in reporting period, days
Current payables for: Goods and services	6
from internal calculations	21
Current security	2
Other current commitments	2

The basic formula for calculating the planned amount of accounts payable by its individual components is as follows:

$$AP_{ipl} = DT_i / CS_{od} \quad (3.3)$$

where, AP_{ipl} - i-th item of accounts payable in the planned period, kUAH

DT_i - the period of turnover of the i-th item of accounts payable in the reporting period

CS_{od} - one-day sales volume of products at cost in the planned period, kUAH.

Thus, the planned volume of trade payables of the enterprise in the planning period is equal to:

$$6 * 4\,191\,025 / 360 = 74\,748 \text{ kUAH}$$

The results of the calculation of the planned amount of accounts payable are presented in table. 3.5.

Table 3.5.

Results of the calculation of the planned amount of payables of of Louis Dreyfus Company Ukraine, kUAH

Liabilities	End of planned period
Short term bank loans	2 328 584
Current payables for: Goods and services	74 748
from internal calculations	244 476
Current security	23 284
Other current commitments	23 283
Total Liabilities	3 561 123

The planned oath of flowing creditor bargaining becomes 3 561 123 kUAH.

The results of the planned calculations of the individual components of the balance sheet of the enterprise can be presented in aggregate form in the form of Appendix B.

CONCLUSIONS AND PROPOSALS

In the course of our research we determined that the presence of effective receivables and payables in the company indicates the desire of the company to expand production, increase its pace, attract additional resources. However, a serious problem is the occurrence of overdue receivables and payables. Accounting for this debt, control over the timing of its repayment, correct and timely attribution of arrears are the main tasks of financial management of the enterprise

Creating an effective system of control over the quality of financial accounts with debtors will help to solve the problem of receivables, which requires the development of a clear and perfect classification of accounts receivable, unification of its valuation methods and analytical financial reporting documents. In order to control accounts receivable, it is advisable to develop measures to look for opportunities to increase the number of customers and customers of the enterprise in order to reduce the risk of debt default and constant monitoring of potential debtors. It is appropriate to introduce into practice the management of receivables limits both in total and per single debtor and periodically to review the marginal amounts.

This final qualifying paper were done in three sections.

In the first section, we explored approaches to determining credit policy by domestic and foreign scientists, characterized the determine methodological approaches to assessing the credit policy of the company, and examined the coefficients by which the given indicator is calculated.

As a result, it is concluded that the credit policy of the company is a specially developed mechanism for the management of accounts receivable, which is aimed at expanding the sales of products and ensuring timely collection of accounts receivable.

In the second section of the paper, we calculated a number of indicators that are required to analyze the credit policy of LOUIS DREYFUS COMPANY UKRAINE, LLC, whose activity is the basis for the study.

The following subsection calculates the solvency and financial sustainability indicators of the enterprise and determines, conclude that the company is able to repay its short-term liabilities at the expense of cash and receivables but the company has an unfavorable situation with liquidity, we can consider that the volume of receivables exceeds payables throughout the study period.

The third section describes possible improvements to the enterprise credit policy identified in the scientific literature, also based on the calculations made in the second section, ways to improve the utilization of current assets of LOUIS DREYFUS COMPANY UKRAINE, LLC. In addition, based on the indicators presented in the second section, the possible results of the enterprise's activity for the next period were planned.

For the purpose of providing qualitative accounting information about a business account receivables information, users are encouraged to make the following form of accounting for accounts receivable for decision making, which is characterized by:

- the only correct approach to accounting for accounts receivable;
- qualitative accounting of long-term receivables due to the existence of a unified approach to the registration and accounting of long-term receivables in the system of synthetic accounts;
- maintaining analytical accounting for each type of long-term receivables in the developed analytical accounting information;
- generalization and accumulation of analytical information about long-term receivables.

Thus, the results of the study are of great practical value for the financial management of LOUIS DREYFUS COMPANY UKRAINE, LLC, because on their basis, the company executives can make prompt management decisions in the field of credit policy management of the company

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APPENDICES

Appendix A

**Dynamics of sales volumes and financial results of Louis Dreyfus Company
Ukraine in 2018-2019, kUAH**

Indicator	2018	2019	Absolute deviation	growth rate, %
	(reporting period)	(planned period)	2019/2018	2019/2018
net income (revenue) from the sale of products	4,517,687	4,555,462	37,775	0.8
cost of sales	(4,186,565)	(4,191,025)	(4,460)	0.1
gross profit	331,122	364,437	33,315	10.1
other operating income	111,733	82,672	(29,061)	-26.0
administrative expenses	(60,026)	(79,328)	(19,302)	32.2
selling expenses	(280,654)	(267,290)	13,364	-4.8
operating expenses	(111,909)	(115,912)	(4,003)	3.6
financial result from operating activities	(9,734)	(15,421)	(5,687)	58.4
financial income	42,594	56,500	13,906	32.6
other income	2,521,364	2,521,364	-	0.0
financial expenses	194,806	194,806	-	0.0
other expenses	(2,390,246)	(2,300,000)	90,246	-3.8
financial result before tax	(30,828)	67,637	98,465	-319.4
profits tax	1,207	12,175	10,968	908.7
net profit	(29,621)	55,463	85,084	-287.2

Appendix B

Results of the planned calculations of the individual components of the balance sheet of Louis Dreyfus Company Ukraine in 2018-2019, kUAH

Active	End of the planning period
1. Non-current assets	
Intangible assets	790
Purchase Value	1719
Accumulated Depreciation	929
Construction in Progress	246
Fixed assets	484065
Purchase Value	498660
Accumulated Depreciation	14595
Long term financial investments: that participates in the capital of others enterprises	220085
Deferred Tax Assets	3500
Total part I	708686
2. Current assets	
Stocks	1361126
on advances issued	49111
to budget	521391
from internal calculations	184481
Other current accounts receivable	15357
Current financial investments	680579
Cash and cash equivalents	4619
Expenses of future periods	1911
Other Current Assets	33861
Total Current Assets II	2852437
Total Assets	3561123
Passive	
1. Owner's Equity	
Shareholder's Equity	14297
Retained Earnings	852451
Total part I	866748
3. Short-term liabilities	
Short term bank loans	2328584
Goods and services	74748
from internal calculations	244476
Current security	23284
Other current commitments	23283
Total part III	2694375
Total Liabilities (and Equity)	3561123