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**MANAGING OF TRANSACTION COSTS OF AGRICULTURAL
ENTERPRISES IN THE CONTEXT OF RAISING THE LEVEL OF
ECONOMIC SECURITY OF THE COMPANY**

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The purpose of the article deals with the analysis of the concept transaction costs incurred by the agricultural enterprise in the course of their activities. To investigate the effect of transaction costs in the context of improving the economic security of the enterprise. Elements scientific novelty. As element of scientific novelty in the work optimization structure of the formative groups of transaction costs agriculture costs for enterprises is presented . With a view of the effectiveness increase business processes management in the enterprise optimization and provision expenses we consider it necessary to the select transaction costs in separate classification group. As a result of conducted work been detected was the number of research transaction costs agriculture enterprise and recommended conducted work such costs of recommended way. Theoretically was studied classification features of transaction costs for agricultural enterprises, as a condition for the full impact of their recording and that the state of economic security. The practical significance. For the study, the results justified the conclusion that the transaction costs – is a special category of costs, which requires a separate account management for the improvement of its economic security.

Keywords: *transaction costs, classification, efficiency, management, economic security.*

Problem statement. Modern preconditions for reformation of the market economy in the context of agrarian sector adaptation to modern requirements influenced the additional increase in costs associated with doing business in the new environment, namely the reregistration of ownership, registration of the right for lease and use of property, costs of attracting additional capital and some others that provide livelihoods of companies of this sector. Today, as we take into account some particular features of these costs, they are considered to be transaction costs. An important influencing factor, which determines the

size of transaction costs and their species structure, is the level of professionalism of subjects of contracts, the level of legal awareness, the access to information on market conditions, the price situation and the current legislative and regulatory support.

Analysis of recent researches and publications. We have made a detailed analysis of the mechanism of formation, management and incurring transaction costs of agricultural enterprises in the context of their influence on the improvement of the economic security of the economy, and we have found a number of features. In particular, in modern conditions, more attention should be paid to the improvement of methodological approaches to transaction costs assessment which result from changes of the institutional requirements for businesses, and the influence of such costs on the cost of production in agricultural enterprises. Bakerenko N. P.[2], Bobina M. [3], Chorna O. M.[4], Kloon M.[6], Marcus R. [7], Merkert R. [8], Raghavan M. [9], Tran-Nam B. [10] and other scholars in their works highlight the influence of transaction costs on the competitiveness, problems of measurement and planning of the said costs and their management. The above authors in their work covering issues of control transaction costs. Some presented as accounting impact of transaction costs on economic security, and cited ways to improve it as the basis for increasing the end profits. Taking into account the views of leading Ukrainian and foreign scholars, we believe that this problem has not been sufficiently traversed and requires further research.

The purpose of the article. The purpose of this article consists in a comprehensive research of the management of transaction costs of agricultural enterprises in the context of raising the level of financial and economic security of the company.

Principal results of the research. Activity of each company is aimed at profit maximization, since the company – manufacturer buys all the means of production and converts them into a final product for sale. The number of goods that will be sold in the market depends on the level of costs that the company has carried out throughout the production cycle, and real demand for finished products. So the conclusion may be that the amount of costs involved in production is one of conditions of success in the market because the lower the costs involved in production, the more profit company gets with the consideration of market prices [5].

Costs involved in production are expressed through production costs figures, which in monetary terms describe all material costs and labour costs required for production and sales. Agriculture enterprises incur different costs in the process of their activity. However, not all of them are included in production costs. The production cost of goods (works, services) includes expenses related to the use of natural resources, raw materials, fuel, energy, fixed assets, human labour and others in the production and sale. Depending on the economic content of these expenses, they are grouped by the following elements: material costs net of cost of working capital; salary expenses; deductions for social events; depreciation of fixed assets and intangible assets; other costs [3].

Today there is no single position on the definition of "transaction costs", their types and classification. In the scientific literature, there are three approaches: universal, market and property rights approach. The main feature of the universal approach is the lack of a clear and unambiguous definition of what constitutes "transaction costs". In the market

approach transaction costs include only those costs that businesses face in the market exchange. The property rights approach is based on the idea that the transaction costs arise from the functioning of property rights distribution mechanisms [8].

Given the specificity of activity of agricultural enterprise, the problem of transaction costs definition shall include the following issues:

1) How can we identify these costs (that is singled out and separated from other expenditures)?

2) How can we measure them?

Therefore, we offer our own interpretation of the term "*Transaction costs*" which is as follows: these are the costs of pricing mechanism and regulation of market relations, as well as costs related to property rights distribution mechanism. Therefore, we offer an advanced typology of management of transaction costs developed especially for agricultural enterprises (Table. 1).

Table 1. The developed classification of transaction costs for agriculture enterprise

| № | Feature | Classification |
|---|--|--|
| 1 | 2 | 3 |
| 1 | Business operation costs (organizational and legal) | The cost of electronic administration of taxes, organizational and legal registers. The cost of conducting seminars, workshops, etc. The cost of paying for the copyright fee (royalty) The cost of telecommunications services (Internet) |
| 2 | The costs of information search | The cost of conducting marketing researches The cost of conducting exhibitions and fairs, participation therein The cost of conducting presentations and participation therein The cost of advertising The cost of Marketing Service maintenance The cost of Analytical Service maintenance Payment for consultancy of external services |
| 3 | The costs of negotiating and agreements conclusion | The cost of publication of professional literature The cost of conducting negotiating as for agreement conclusion The cost of legal services as for contract conclusion Representation costs related to agreement conclusion |
| 4 | The costs of measurements and calculations | The costs associated with the acquisition of measuring instruments The cost of specialized agencies services The costs associated with the maintenance of departments of certification and standardization The costs associated with payment for banking services |
| 5 | The costs of specification and protection of property rights | The cost of registration of special instruments (patents) Payment of legal fees Payment for legal advice Payment for auditing Insurance payments |
| 6 | The costs of opportunist behaviour | The costs deriving from ineffective fulfilment of contract terms and conditions The costs of deriving from extortion The costs of deriving from avoidance Entrance and equity contributions to community organizations. |

*Developed by the author

The assessment of data represented in the table proves that today we need a separate categorical separation of transaction costs on a wide range of grounds. In particular, we should consider separately the peculiarities of business operation costs, information search, negotiating, protection of property rights and others.

In order to improve the management of business processes in the company and ensure cost optimization we think that transaction costs should be allocated in a separate classification group. As a result of researches we have found a number of transaction costs incurred by agricultural enterprise, and proposed to group these costs as follows (Table. 2).

Table 2. The offered optimization structure of formation of some transaction costs groups for agriculture enterprises

| Classification of transaction costs | Types of transaction costs |
|--|--|
| Acquiring the right to lease | Registration of state act in the Register of Property Rights to Real Estate |
| | Formation of land lease contract |
| | Registration in the State Register of Property Rights to Real Estate |
| | Execution of extract from the State Register of Property Rights to Real Estate |
| Raising funds for economic activities | Execution of the following documents: – servicing bank letters confirming presence or absence of credit debt; – extracts and abstracts from the Unified State Register of Legal Entities and Individual Entrepreneurs; – references of department of the State Committee on Land Resources on land availability; – certification of financial statements by statistical authorities |
| | Expert appraisal of collateral |
| | Banking services for opening credit lines |
| | Insurance |
| | Notary services |
| | |
| Conclusion of contracts for the sale of products | Execution of the following documents: – servicing bank letters confirming presence or absence of accounts payable; – extract from the Unified State Register of Legal Entities and Individual Entrepreneurs; – references of department of the State Committee on Land Resources on land availability; – references of statistical authorities about the average yield and number of hectares of crops |
| | Insurance |
| | Notary services |
| | Registration fee of Agrarian Exchange |
| | Brokerage fee |
| | |

*Developed by the author

Owing to the need to ensure their competitiveness in the market of agricultural products, agricultural enterprises have to work in the field of both state and non– state transaction sector. Researches showed that the vast majority of agricultural enterprises do not reflect transactions costs separately in the costs accounting system. This is mainly

caused by the fact that IFRS standards do not have such provision. Generally enterprises keep accounts using the following accounts: 92 «Administrative accounts», 93 «Marketing costs», 94 «Other operating expenses», 97 «Other expenses». Recently, the amount of total cost increases every year, the number of agencies, faced by the manufacturer, responsible for regulatory approval system is constantly increasing. It is difficult to control transaction costs, and in terms of legislation it is impossible to conduct business without permission of such agencies. In view of the foregoing, we offer to implement an additional breakdown of the account 97 «Other expenses» especially for agriculture enterprises. In particular, we offer to open an additional account 978 «Transaction costs» with breakdowns corresponding to various types of transaction costs [4].

We consider that today many agriculture enterprises are forced to introduce additional control over quality of transaction costs reflection in accounting, since this aspect directly influences the level of functioning quality of financial and economic security of most enterprises.

Researches related to transaction costs management have showed that today due to the specifics of agriculture enterprises the share of transaction costs is more than 25% of the total cost of agricultural enterprises, that is why reduction, optimization and management thereof is quite relevant and very important direction in reducing production costs, increasing profitability and profits of enterprise [10].

As a general principle, the system of transaction costs management and monitoring in the agricultural sector includes analysis of the following characteristics:

- research of issues of functioning;
- analysis of the influence of internal and external factors;
- a systematic approach to activity planning.

In view of the above, we would like to note that the main prerequisite for good management of transaction costs in the context of raising the level of economic security of the company is precisely the process of their optimization. Optimization involves not only reducing the size of transaction costs, but also their growth due to different innovations in technology, marketing, production management, assurance of products and services quality. The increase, as well as decrease, should be seen in certain areas and by objects of expenditure, while the total cost may remain the same.

Increase of the level transaction costs management efficiency depends primarily on assurance of information, financial and legal component of economic security. In particular, these features should be considered in the stage of planning, accounting, control and regulation [7].

In this regard, the study of management accounting, which is a system of internal management, is of considerable interest for agricultural enterprises, as it provides information on costs and revenues of individual objects in various analytical groups by specified features. This system is intended for operational and strategic decision– making.

Methods of regulation of the transactions costs of agricultural enterprises is based on application of classification, which makes it possible to consider the specificity of agribusiness industry and provides the ability to directly influence on the transaction costs management. It includes internal production transaction costs, external transaction

costs and transaction costs in the form of revenue shortfall. These costs arise if agricultural enterprises lose some part of revenue due to differences in the definition of quality indicators of products being sold, sales of products in the terms and at prices to their own detriment, and in the case of loss of products in physical volume in the process of their sale [1].

Summing up the material presented above, we would like to note that the process of good management of transaction costs involves generalized set of the following factors:

- development of classification features of transaction costs for agricultural enterprise, as a prerequisite for a comprehensive consideration thereof;
- development of optimization structure of formation of some transaction costs groups for agriculture enterprises;
- improvement of the assurance of information, financial and legal component of economic security of enterprise;
- development of a thorough strategic planning of transaction costs incurring process;
- adjustment of management accounting quality.

Conclusions and prospects of research in this area. «Transactions costs» are considered to be costs of pricing mechanism and regulation of market relations, as well as costs related to property rights distribution mechanism. Therefore, we offer an advanced typology of management of transaction costs developed especially for agricultural enterprises. Today we have to pay special attention to the process of formation, accounting and incurring of such costs. We believe that the improvement of transaction costs management efficiency for agricultural enterprises in terms of development of optimization structure of their formation, improvement of the level of the assurance of information, financial and legal component of economic security of enterprise, and development of effective strategic planning of transaction costs incurring in the process of correct reflection thereof will make it possible to raise the level of agricultural enterprise development and to improve its investment attractiveness.

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УПРАВЛІННЯ ТРАНСАКЦІЙНИМИ ВИТРАТАМИ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ В КОНТЕКСТІ ПІДВИЩЕННЯ РІВНЯ ЕКОНОМІЧНОЇ БЕЗПЕКИ ПІДПРИЄМСТВА

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Мета статті – оцінити сутність поняття трансакційні витрати, які в процесі своєї діяльності несе сільськогосподарське підприємство. Дослідити вплив трансакційних витрат в контексті підвищення рівня економічної безпеки підприємства. Методика дослідження. У процесі дослідження даної проблематики було використано наступний спектр методів, зокрема: моделювання, конкретизація, індукція, дедукція, а також системний аналіз (класифікаційні особливості трансакційних витрат). Елементи наукової новизни. Як елемент новизни у тексті роботи представлена оптимізаційна структура формування груп трансакційних витрат для сільськогосподарських підприємств з метою підвищення ефективності управління господарськими процесами на підприємстві та забезпечення оптимізації витрат, вважаємо необхідно виділяти трансакційні витрати в окрему класифікаційну групу. В результаті проведених досліджень було виявлено ряд трансакційних витрат, які здійснюються сільськогосподарським підприємством та рекомендовано групувати такі витрати запропонованим чином. Теоретично досліджено класифікаційні особливості трансакційних витрат для сільськогосподарського підприємства, як передумови усестороннього їх врахування та впливу на стан економічної безпеки підприємства. Практична значущість. За результатами дослідження обґрунтовано висновок, що трансакційні витрати – це особлива категорія витрат сільськогосподарського підприємства, яка потребує окремого відокремлення в обліку господарства за для поліпшення стану його економічної безпеки.

***Ключові слова:** трансакційні витрати, класифікація, ефективність управління, економічна безпека.*

**УПРАВЛЕНИЕ ТРАНЗАКЦИОННЫМИ ЗАТРАТАМИ
СЕЛЬСКОХОЗЯЙСТВЕННЫХ ПРЕДПРИЯТИЙ В КОНТЕКСТЕ ПОВЫШЕНИЯ
УРОВНЯ ЭКОНОМИЧЕСКОЙ БЕЗОПАСНОСТИ ПРЕДПРИЯТИЯ**

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Цель статьи – провести анализ понятия транзакционных затрат, которые в процессе своей деятельности несет сельскохозяйственное предприятие. Исследовать влияние транзакционных затрат в контексте повышения уровня экономической безопасности предприятия. Методика исследования. В процессе исследования данной проблематики было использовано следующий спектр методов, в частности: моделирование, конкретизация, индукция, дедукция, а также системный анализ (классификационные особенности транзакционных затрат). Элементы научной новизны. Как элемент новизны в тексте работы представлена оптимизационная структура формирования групп транзакционных затрат для сельскохозяйственных предприятий. С целью повышения эффективности управления хозяйственными процессами на предприятии и обеспечения оптимизации затрат, считаем необходимым выделить транзакционные затраты в отдельную классификационную группу. В результате проведенных исследований было выявлено ряд транзакционных затрат, которые совершаются сельскохозяйственным предприятием и рекомендовано группировать такие затраты предложенным способом. Теоретически исследованы классификационные особенности транзакционных затрат для сельскохозяйственного предприятия, как условия всестороннего их учета и влияния на состояние экономической безопасности предприятия. Практическое значение. За результатами исследования обосновано вывод, что транзакционные затраты – это особая категория затрат, которая нуждается в отдельном учете хозяйства для улучшения состояния его экономической безопасности.

***Ключевые слова:** транзакционные затраты, классификация, эффективность, управление, экономическая безопасность.*