

## **DIRECTIONS OF IMPROVING THE CURRENT ASSETS OF THE ENTERPRISE**

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### ***Анотація***

*Розглянуто сутність поняття «оборотних активів» та заходи щодо підвищення ефективності їх використання.*

**Ключові слова:** оборотні кошти, кругообіг, ефективність, удосконалення.

### ***Abstract***

*The essence of the concept of “current assets” and measures to improve the efficiency of their use are considered.*

**Key words:** working capital, circulation, efficiency, improvement.

### **Introduction**

The development of market relations in Ukraine requires new approaches to managing the economy at the macro and micro levels. It is especially important to establish such a mechanism for managing the company's assets, which not only corresponds to the market conditions of the company's activity, but also ensures sufficient solvency, liquidity and profitability.

In modern conditions, the consequence of the crisis phenomenon for most enterprises is the lack of the necessary amount of working capital, which seriously affects the efficiency of enterprise management. In addition, due to the inconsistent application of the principles of organization of management processes, production enterprises have low reserves of current assets and low levels of their use.

The purpose of this work is to determine possible ways to increase the efficiency of the use of working capital of the enterprise.

### **Research Results**

Ensuring the continuous operation of the enterprise is carried out thanks to the availability of current assets, which are a complex economic category that includes many theoretical and practical issues.

Current assets are business assets that can be easily and quickly converted into cash or used to generate income in the near future, usually within a year. They may include:

1. Stocks: goods, raw materials, semi-finished products and other materials used in the production process.
2. Accounts receivable: funds that must be paid by customers for goods or services that have been provided.
3. Cash: cash, bank accounts, deposits that can be easily converted into cash.
4. Investments in securities: shares, bonds that can be sold quickly and converted into money.

Current assets are an important indicator of the efficiency of the company's financial activities, as they allow us to assess how quickly the company can turn its assets into cash to finance business and expand operations.

Among the most important issues in the organization of effective management of current assets of enterprises, which is aimed at forming the necessary and sufficient volume of enterprise assets at minimum costs and increasing the efficiency of their use, is the degree of rationality of the use of current assets, which depends on the state of the enterprise and its further activities [1].

The functions of current assets are to ensure various processes necessary for the successful operation of the enterprise. The main functions of current assets are as follows:

- Provision of operational activities: current assets provide the necessary spare parts for equipment, raw materials, materials and other resources that are necessary for the production of products and the provision of services.

- Ensuring liquidity: current assets can be easily and quickly converted into cash, which ensures the liquidity of the enterprise and its ability to fulfill obligations to creditors.

- Ensuring profitability: current assets make it possible to increase the profitability of the enterprise, reducing the costs of maintaining stocks and ensuring the production of products.
- Ensuring growth: current assets help enterprises to ensure steady growth and development, in particular, through increased production and sales of products.
- Reduction of risks: storage of current assets allows the enterprise to reduce the risks associated with a lack of resources or non-fulfillment of obligations to customers and partners.

Management of current assets is a priority in the overall financial management system. Determining the volume and structure of current assets, the sources of their coverage and the ratio of these sources, which are sufficient to ensure the long-term production and efficient operation of the enterprise, is the target setting of the working capital management policy.

The working capital management policy should ensure finding a compromise between the risk of loss of liquidity and the efficiency of activity, which comes down to solving these two key issues of solvency and ensuring acceptance of volumes, structure and profitability of capital [2].

There are several ways to improve the company's current assets:

1. Optimization of stocks: the enterprise can reduce the volume of stocks, increasing their turnover and reducing storage costs. This can be achieved by improving the inventory management system, speeding up delivery times and optimizing the production process.

2. Effective credit management: the company must ensure timely payment of debts from customers, which will ensure the stability of cash flow and reduce the risk of non-payment.

3. Improved cash management: a business must have an effective cash flow control system to ensure timely payment of bills and minimize the negative impact of late payments.

4. Increase in the volume of sales: an increase in the volume of sales will help to increase the turnover of current assets of the enterprise, ensuring a faster conversion of assets into cash.

5. Rationalization of costs: the enterprise must ensure optimal conditions for the use of resources in order to reduce total costs, increase production efficiency and increase profitability.

6. Use of factoring: the company can use the services of factoring companies, which can ensure quick receipt of funds for debts from customers, reduce the risk of non-payment

### Conclusions

So, having researched and analyzed the essence and main functions of the company's assets, it is possible to generalize the directions of their improvement at the company, which will allow to improve the main technical and economic indicators of the company's activity, will be useful in improving the choice of the strategy for the further development of the companies, planning their current economic activity.

Current assets of the enterprise are important for its financial stability and efficiency. Their effective management ensures the ability of the enterprise to meet the needs of consumers in a timely and qualitative manner, to ensure constant production activity.

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