

ECONOMIC STRATEGIES FOR THE DEVELOPMENT OF SOCIETY

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SECTION 1. ACCOUNTING AND AUDIT

1.1 Information, analytical and accounting support for management decision-making

The activity of any enterprise and its success in the market depends on many environmental factors. That is why each organization in the framework of management implements the planning function, collecting and analyzing information about the conditions of doing business. Planning helps the organization make decisions that prevent the occurrence and development of problem situations, without compromising the achievement of organizational goals.

In the process of making any decision, including a managerial one, information is used. The accuracy and completeness of the information ensures that the decisions made will take into account the greatest possible number of factors.

Providing access to information necessary for effective management decision-making is called information and analytical support.

Information and analytical support for management decisions can be provided by specialized divisions of the enterprise or separately hired third-party companies (or experts) providing consulting services. The collection, processing and preparation of information can also be a function of any Departments of the company. The department may collect and analyze information related to its activities.

The purpose of information and analytical support of management decisions is to provide timely information of proper quality to decision makers.

It should be noted that the essence of information and analytical support is that the company's management or other decision makers must receive the information they need in full in time, while it must be reliable, which will give an idea of the external and internal situation in the organization.

An integrated approach to management decision support combines the method of calculating an integral indicator, methods of expert assessments, cluster analysis, and methods of artificial neural networks. For example, when using cluster analysis, the

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person making a management decision understands what level the enterprise has in the aggregate of other analyzed enterprises [1].

To achieve the goal of information and analytical support of management decisions, it is necessary to implement a number of tasks:

- collection, processing and analysis of information about the market situation;
- forecasting of market trends;
- study of the competitive situation, methods of competition and goals of competitors;
- research of partners and clients, their goals and characteristics;
- monitoring of all divisions and systems of the organization;
- audit and security of the company's internal information;
- development of recommendations and analytical reports for the company's management and other decision makers [2].

Information and analytical support of solutions in the field of organization management should be based on a scientific approach to assessing the events and situations under study outside and within the company. At the same time, the information received must be up-to-date and reliable. The company must ensure the continuity of information collection and create a system for informing interested parties about significant events and emerging problems.

In order for the system of information and analytical support for management decisions to work effectively, it is necessary to clearly define the purpose and range of interests of decision makers, which will ensure the relevance and usefulness of information.

The process of conducting work on information and analytical support of management decisions is based on the following principles::

- the principle of goal setting – the presence of a clear specific goal allows you to determine the scale and methods of work on collecting and analyzing information;
- the principle of unambiguity – determining the exact content of terms used in information flows;

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– the principle of multiple sources is the use of different sources of information to ensure its reliability and completeness.

Management decisions in modern conditions can be completely different in form, direction, time of development, adoption, and implementation. Some decisions are made quickly by the subject of management, based on existing experience, others after careful mathematical processing and justification.

In such circumstances, ordering and classifying management decisions becomes extremely necessary. Classification of management decisions allows us to distinguish classes and types of decisions that require a different approach to the organization of the management process.

Accounting serves the interests of meeting the social needs of the company's employees, increasing the volume of production of competitive products in the domestic and foreign markets, and efficient management using new advanced technologies. It is carried out directly on the basis of documentation of all economic processes and contributes to the control over the rational use of monetary and material resources, preventing unproductive expenses, preventing the occurrence of penalties for violation of contractual discipline, etc. [3].

Traditionally, the main supplier of financial information about an enterprise is the accounting department. Based on accounting data, that is, information that management collects during the company's activities, it makes management decisions to increase the efficiency and effectiveness of the company's indicators.

In turn, the information provided by the accounting system, and which corresponds to an interrelated set of tasks, is an information flow.

Based on the essence of accounting, the information flow formed within the framework of this system is a set of internal (within the accounting system) or external (between this system and the external environment) circulation of data that is necessary for managing and controlling the economic processes of an economic entity. Information in the enterprise is used as a basis for decision-making, as well as for performing and monitoring daily operations. It can even be argued that neither physical nor cash flows are possible without information flows [4].

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The analysis of economic information has become much more efficient due to the automation of accounting. The software can help you make a management decision thanks to the following algorithm shown in Fig. 1.

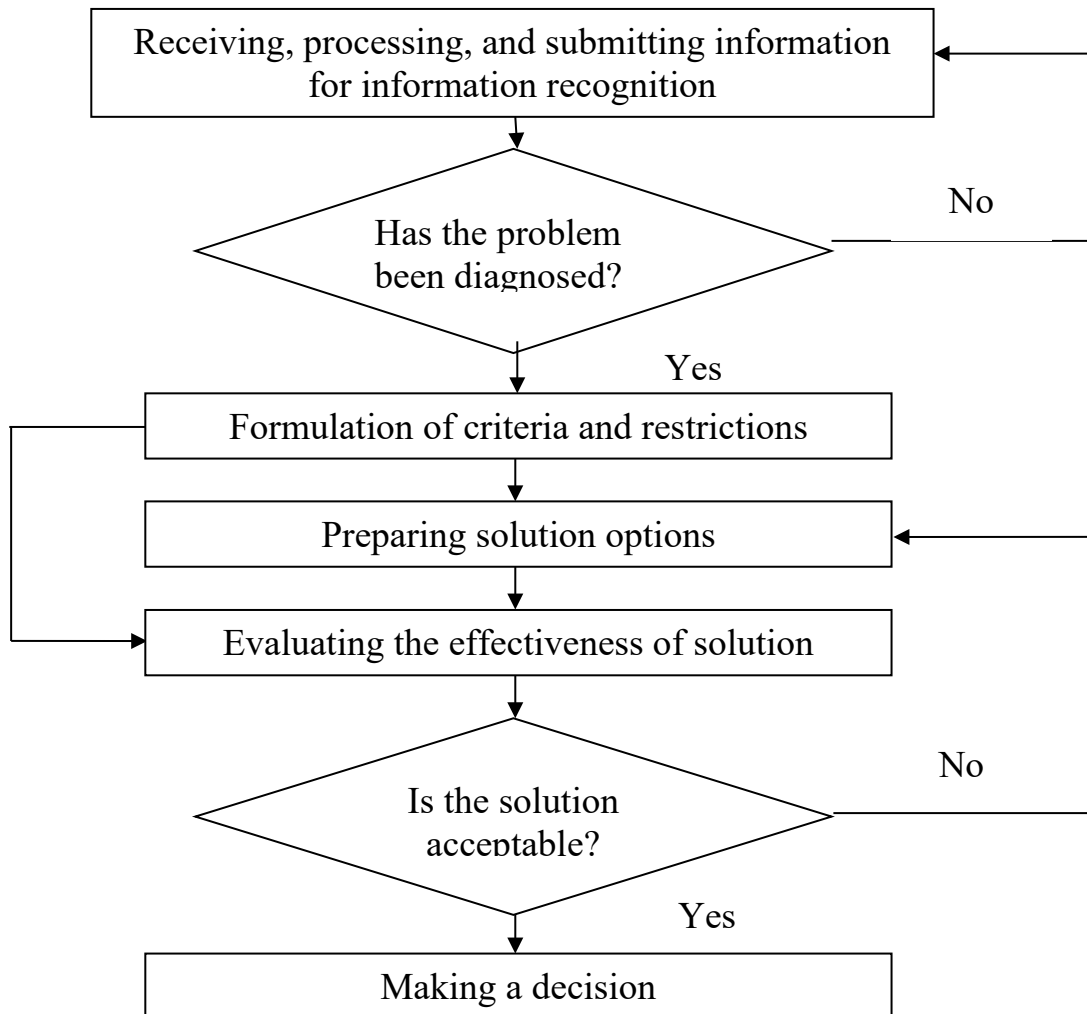


Figure 1. Algorithm for making managerial decisions

The most important feature of the management process is its informational nature. The organization of implementation of decisions made is carried out through a system of methods of influencing employees using information on the progress of implementation of decisions made (feedback). The more accurate and objective the information at the disposal of the management system, the more fully it reflects the actual state and relationships in the object of management, the more reasonable are the goals set and real measures aimed at achieving them. Since the manager in his work relies on information about the state of the object and creates new command information as a result of his activities in order to transfer the managed object from the

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actual state to the desired one, the information is conditionally considered the subject and product of managerial work [5].

Information used as a control element or subject of managerial work must necessarily provide a high-quality idea of the tasks and state of the managed and control systems and ensure the development of ideal models of their desired state.

Thus, information support is a part of the management system, which is a set of data on the actual and possible state of production elements and external conditions for the functioning of the production process, as well as on the logic of changing and transforming production elements [6].

To avoid problems with regularity, it is advisable to automate the operation of the management system. When describing an information system, as a rule, the movement of various information flows, as well as their intensity and constancy, various types of information transformation algorithms, and the document flow scheme corresponding to these conditions at the moment are studied. The solution is a perfect description of the desired state of the object and how to achieve this state. They are a product of limited use, as they are aimed at a specific object under clearly described conditions. The quality of the solution as a finished product is manifested indirectly in the activity of the object to which this solution is directed [7].

Insufficient level of information support of the management system leads to an increase in the risk of making economically unjustified management decisions, suboptimal use of internal reserves of the enterprise, an increase in the risk of entrepreneurial activity, underestimation of the level of supply and demand in the market of goods and services, and so on. Too much analytical information can lead to the inability to process all the information, reduce the probability of evaluating the most appropriate and reliable information, and make erroneous management decisions. The management system requires only the information on the basis of which decisions are formed [8].

The development of Information Technologies has led to the fact that information has become an integral part of the activities of enterprises. Information becomes both a resource and a means of production. The greater the role of information support, the

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more important the problem of correct and timely analysis of the information received becomes.

We can say that the movement «accounting → analysis → management decision» is the main information flow in enterprise management. Management decisions cannot be rational and effective without preliminary analysis, and analysis, in turn, is impossible without obtaining the primary information provided by accounting. Thanks to modern software, comprehensive automation of accounting and analytical processes guarantees the provision of complete and timely information for decision-making by Enterprise Management.

We can make a forecast that in the near future management processes will become more automated, that is, more subordinate to machine logic and less dependent on the subjective opinion of managers. This process will reduce the number of errors in management decisions caused by the human factor. However, this will raise many new questions. For example, which of the solutions can be entrusted to the program, and which should be with the mandatory participation of a person.