

ECONOMY AND MANAGEMENT OF ENTERPRISES

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ROLE OF CURRENT ASSETS IN ENTERPRISE PRODUCTION

In article research of a role of current assets in enterprise production is conducted. The economic essence of current assets of the enterprise, their classification by various signs are opened, functions and structure of current assets, and also the main ways of increase of efficiency of their use are defined.

Investigation of the role of working capital in the production process is carried out in order to clarify their economic substance as the advanced value, which makes circulation through the structural transformation in the form of the production and current assets to ensure continuous production activity. This allows distinguishing current assets in the other categories, serves as a basis for analyzing of their state and structure at all stages of the circulation to improve the efficiency of their use.

The amount of current assets advanced in the production and circulation sphere, their money and material content, the optimal ratio directly affect the results of production and financial activities of enterprises.

Important tasks in the management of working capital are to provide the optimal balance between solvency and profitability through the support of appropriate size and structure of current assets.

In today's conditions it is very important to determine the need for current assets. Current assets of enterprises should be distributed between all stages of circulation in the appropriate form and at minimal but sufficient amount. Excess stock withdraws funds from circulation, show weaknesses of logistical support, irregularity of processes of production and sales. All this leads to necrosis of resources, their inefficient use.

It should also be noted that the company must maintain optimal ratio of equity and debt current assets, because its financial stability and independence depends directly on it.

Therefore, current assets are one of the components of business stock, its condition and efficiency is essential for the success activity of the economic entity.