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**ANALYSIS OF MODERN METHODS OF EFFECTIVE USE OF RAW MATERIAL RESOURCES****Olimova Dilnavoz Rajabovna***Graduate student of Asian International University*

**Abstract.** *Raw material consumption refers to the raw material that is used – or consumed – during a production cycle or any defined period of time. It's an important metric for manufacturers to track, especially when it comes to material management and waste management. Raw materials are the sources of nutrients on which the development of the functional foods and nutraceuticals is based. The main criterion for the applicability of a particular type of raw material is the availability of its complete and accurate specifications from the standpoint of quality, safety, and authenticity. Raw materials are used in a multitude of products and can take many different forms. Raw materials are the input goods or inventory that a company needs to manufacture its products. For example, the steel used to manufacture vehicles would be a raw material for an automobile manufacturer.*

**Key Words:** *raw materials, economic condition, performing works, assembly of parts, agricultural produce, semi-finished products, technical dependency, management decision.*

**Introduction.** Current economic conditions, based on the laws of the market, laws of supply and demand and competition, force Ukrainian enterprises to adapt quickly to changes in the market environment and avoid unreasonable risk making managerial decisions as for the use of all available production resources and in particular material. Any household decision is evaluated by their final result, which is profit. One of the main factors affecting the profit is the level of material stocks. Revenues from sales and profit appear only when the subjects of labor used in the production, transfer their value to the cost of manufactured product and find the final user. Therefore, stable supply of material resources is a precondition for the functioning and development of any company.

Stocks, according to the principle (standard) of accounting (P(S)A) №9 "Stocks", an asset is recognized if it is probable that the company / institution will receive future economic benefits associated with their use, and their value can be reliably measured. For accounting purposes, stocks include:

- raw materials, basic and additional materials, components and other tangible assets intended for the production of goods, performing works, rendering services, distribution, transmission, service of production and administrative needs;

- unfinished production in the form of not completed processing and assembly of parts, components, products and unfinished technological processes. Unfinished production at enterprises, institutions, performing works and rendering services consists of expenses to perform unfinished works (services) as for which enterprise institution did not acknowledged revenue;

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- finished products produced by the company, institution intended for sale and which meets technical and quality characteristics foreseen by the contract or other normative and legal act;
  - goods in the form of tangible assets, purchased (received) and held by enterprise / institution for the purpose of further sale;
  - low value items used for up to one year or a normal operating cycle, if longer than one year;
  - current biological assets, assessed by P(S)A №9, agricultural produce and forest products after its initial recognition.

An important condition for enterprise development and intensification of production is stable supply of material resources (material current assets) and its efficient use. This is because the cost of material resources makes a significant share in expenses of production, respectively, saving and rational use of raw materials, semi-finished products or components helps to improve the financial situation of the company.

Impact of material resources on enterprises' results on production is determined using the method of factor analysis. The impact of the efficiency of material resources usage on the scope of produced production determine with different levels of detailing. Factor of the first level is change of material expenses and effectiveness of their use (or material return or material capacity). An important role in the fulfillment of analysis efficiency of the effectiveness of material resources usage has the content and quality of information base of analytical research. To information sources of material resources analysis include: planned, accounting and reporting and not accounting documents. Planned information for assessing the supply of enterprise needs in material resources is contained in the prospective and current plans of material and technical supply, specifications, planned cost estimates of products and so on. Planned data is used for the analysis of enterprise supply by tangible assets: planned stocks' scopes and flow volumes (portfolio of orders), contracts, agreements for the supply of raw materials.

Raw material criticality is the field of study that evaluates the economic and technical dependency on a certain material, as well as the probability of supply disruptions, for a defined stakeholder group within a certain time frame. Criticality assessments play an indispensable role for industry and policymakers alike, e.g., in material selection, product and process design, investment decisions, trade agreements, collaboration strategies, as well as in the prioritization of research projects, policy agendas, and undertakings towards increasing transparency in value chains.

Determination of absolute and relative deviation of actual value of material resources from estimated (planned) cost or cost of prior periods in general for enterprise or for certain types characterize the tendency of their changes. The composition and structure of material resources depend on the industry to which the enterprise belongs; type of product which it produces and features of material and technical supply. The composition of material resources is their distribution into separate groups and types, and structure is a quantitative ratio between cost of certain groups and types of material resources in their total cost. Analysis of composition and structure of material resources allows identifying: what deficit and expensive materials enterprise uses; consumption of which of them is dominant in the production of a specific type of product; whether products differ by material capacity. To do

this, calculate the following indicators: the share of material expenses (cost of material resources) in total expenses on production; share of certain types of material resources, mostly raw materials, basic materials, fuel, energy in their total cost; the share of material expenses on production of certain products in their total cost and its change for the analyzed period. This retrospective analysis makes it impossible to draw conclusions about the completeness of enterprise needs in material resources coverage, that's why it is important to pay attention to the correct calculation of planned need, level of need fulfillment according to concluded contracts for the supply of material resources, their actual implementation.

A more detailed analysis foresees the characteristics of sources of need coverage (both external and internal). External sources include supply under concluded contracts, and internal – reducing materials waste, use of recycled materials, own manufacture of semi production, introduction of advanced energy-saving technologies. The real need for the acquisition of materials is defined as the difference between total demand in a certain kind of material resources and the possibility of covering from internal sources. Obviously, the accuracy of defining internal sources predetermines objectivity of calculating the need in external sources.

Sources of material resources inflow may be commodity and raw materials exchange, other enterprises as well as own production and wastes usage. Analysis of plan fulfillment on logistics analyzes to determine the correctness of the determination of needs in material resources. Needs should be determined on the basis of data on planned production volumes, norms and standards of expenses and stocks. The real need in external material resources is defined as the difference between the total need in materials and the amount of own internal sources of coverage.

As a result of replacing one material by another appears the difference in norms of these materials use for production. To calculate the loss of the company as a result of this change, it is necessary to multiply material overspending per unit by the actual volume of output from this material and by the price of the unit of material. In addition, other materials (not foreseen in the contract) may require additional processing, which, in turn, involves additional labor costs, which are calculated by multiplying wages per unit of processed materials by the quantity of these materials. The resulting amount should multiply by percentage of charges on social needs. Replacing one material by another also foresees the difference in price of these materials. Losses caused by increase of prices on materials are determined by multiplying difference in price by the quantity of replaced material. Material resources of the enterprise are in constant motion: they come to the warehouse from suppliers and then transfer them to production, where gradually, during processing, they take the form of finished products.

In the analysis of material resources, a great importance has determination of the limit, further which it is not reasonable to dismember a study of the general in order to avoid losing of its specificity. In this regard, the limit of the analysis of effective use of material resources is usually defined by its goals and objectives, and program and content of analysis by features of researched object and its target orientation.

Objective of the analysis of effective use of material resources is to obtain the most informative key parameters that give an objective and accurate assessment of the

availability of different types of material resources at enterprise in terms of ensuring its competitiveness, enabling assessment of the effectiveness of management decisions as for portfolio of orders for material resources, identifying reserves of increase the efficiency of resource usage, development of measures for their mobilization.

Conclusion. The rational management of material resources is one of the reserves to reduce the cost of products, and therefore a factor in increasing profits and profitability at the enterprise. In addition, the efficient management of material resources movement provides the enterprise with additional benefits such as reducing production downtime, creating adequate reserves of stocks to ensure its rhythm, minimizing losses from freezing funds in inventories, saving costs from the proper use of storage facilities, etc. That is, effective management of material resources creates real preconditions for economic growth and determines the competitiveness of industrial enterprises.

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