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Polina Dmitrievna Barybina Institute of Service and Entrepreneurship (branch) DSTU bachelor

Artyom Alexandrovich Tikhonov Institute of Service and Entrepreneurship (branch) DSTU bachelor

Vladimir Timofeevich Prokhorov Institute of Service and Entrepreneurship (branch) DSTU Doctor of Technical Sciences, Professor, Shakhty, Russia

### Galina Yurievna Volkova

LLC TsPOSN «Orthomoda» Doctor of Economics, Professor Moscow, Russia

# ON THE CONDITIONS FOR ENSURING A STABLE FINANCIAL POSITION FOR ENTERPRISES LOCATED IN THE REGIONS OF THE SOUTHERN FEDERAL DISTRICT AND THE NORTH CAUCASUS FEDERAL DISTRICT IN THE FORMATION OF PREFERENCES AMONG CONSUMERS OF MANUFACTURED PRODUCTS

Abstract: In the article, the authors consider the role of quality as a tool for promoting the philosophy of quality in the production of competitive and in-demand products at light industry enterprises located in the regions of the Southern Federal District and the North Caucasus Federal District. At the same time, the authors absolutely reasonably confirm the possibility of such an implementation. If innovative centers are implemented, saturated with universal and multifunctional equipment, creating the prerequisites for the production of the entire range of footwear, namely: men's, women's and, most importantly, children's shoes, the demand for which is quite high in the regions of the Southern Federal District and the North Caucasus Federal District. And the use of software will provoke a significant reduction in the cost of its production and guarantee its sustainable implementation in domestic markets with unstable demand. And here it is important not to make a serious methodological mistake - to reduce economic policy to economic analysis, but to maintain the spirit of solidarity in the team - one for all and all for one - and success will surely find the seeker.

*Key words*: *quality, preference, demand, competitiveness, market, profit, demand, buyer, manufacturer, financial stability, sustainable TEP, priority, assortment policy, economic policy.* 

#### Language: English

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### Introduction

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In the era of globalization, sustainable competitive advantages are often purely local in nature. Standard factors of production, information and technology are readily available. However, competitive advantages of a higher order are still territorially limited, since regions have their own features that affect the level of their economic growth, which lie outside the area of endowment with production factors. Such attributes are interrelated and complementary. That is why competitive success is the result of combining the unique socio-economic environment in the region with the competitive advantage of industries. Regional differences are very important and often essential to competitive advantage.

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This predetermines the need to solve the problem of sustainable regional development from the standpoint of the cluster approach with its inherent conceptual apparatus, tools and logic, which together allow linking the competitive potential of the region with the formation of a strategy for its sustainable development conditions. The in modern intensification of structural transformations is currently accompanied by an increasingly pronounced territorial concentration of economic activity. At present, this is manifested in the formation of new forms of business structures focused on the development of regions.

Of great importance in the management of output is the assessment of the actual output and sales within the limits of production capacity, i.e. within the boundaries of the minimum - maximum volume of production. Comparison with a minimum, break-even volume allows you to determine the degree, or zone, of the organization's security and, with a negative value of security, remove certain types of products from production, change production conditions and thereby reduce costs or stop production.

Comparison of the achieved volume of output with the maximum volume determined by the production potential of the organization, allows you to assess the possibility of increasing profits with an increase in production volumes, if demand or market share of the organization increases.

For a shoe company seeking a strong market position, pricing is key to the success of the chosen strategy. The price is a tool to stimulate demand and at the same time is the main factor in long-term profitability.

Getting the maximum profit is possible with the optimal combination of sales volume and prices for products. However, it is not possible to sell an unlimited number of units of shoes at the same price. An increase in sales leads to market saturation and a drop in effective demand for products. At some point in time, in order to sell a large number of shoes, it will be necessary to reduce the price.

The financial well-being and stability of the enterprise largely depends on the inflow of funds to cover its obligations. The absence of the minimum required cash reserve may indicate financial difficulties. In turn, an excess of cash can be a sign that the company is suffering losses. The reason for these losses can be related both to inflation and the depreciation of money, and to the missed opportunity for their profitable placement and additional income. In any case, it is the analysis of cash flows that will determine the real financial condition of the enterprise. Cash flow is the difference between the amount of money received and paid out to an enterprise over a certain period of time. It characterizes the degree of self-financing of the enterprise, its financial strength, financial potential, profitability.

- an inflow equal to the amount of cash receipts (or results in value terms) at this step;

an outflow equal to payments at this step;

- balance equal to the difference between inflow and outflow.

o Cash flow usually consists of partial flows from individual activities:

- cash flow from the investment activity of the enterprise;

- cash flow from operating activities;

- cash flow from financing activities.

Effective cash flow management increases 0 the degree of financial and production flexibility of the enterprise, as it leads to:

improve – to operational management, especially in terms of balancing receipts and expenditures of funds;

- increase in sales volumes and optimization of costs due to the large opportunities for maneuvering the resources of the enterprise;

- improving the efficiency of managing debt obligations and the cost of servicing them, improving the terms of negotiations with creditors and suppliers;

- creation of a reliable base for evaluating the performance of each of the divisions of the enterprise, its financial condition as a whole;

- increase the liquidity of the enterprise.

All three types of activity take place in every enterprise.

The cash flow from investing activities includes as an outflow, first of all, the costs distributed over the steps of the billing period for the creation and commissioning of new fixed assets and the liquidation, replacement or compensation of retired fixed assets. In addition, cash flow from investing activities includes changes in working capital (an increase is treated as a cash outflow, a decrease is treated as an inflow). The outflow also includes own funds invested in the deposit, as well as the costs of



purchasing securities of other economic entities intended to finance the project.

As an inflow, the cash flow from investing activities includes income from the sale of assets being disposed of (sale of shoes or sale of obsolete equipment).

Cash flows from operating activities take into account all types of income and expenses at the corresponding calculation step related to the production of products, and taxes paid on these incomes.

The main inflows at the same time are income from the sale of products and other income. Production volumes should be indicated in physical and cost terms. The initial information for determining the proceeds from the sale of products is given by calculation steps for each type of product.

In addition to the proceeds from sales, inflows and outflows of real money, it is necessary to take into account income and expenses from non-production operations that are not directly related to the production of products. These include, in particular:

- income from property rental or leasing;

receipt of funds upon closing of deposit accounts and on purchased securities;

- return of loans granted to other participants.

Operating cash flows are generated from the cost of production and distribution of products, which usually consist of production costs and taxes.

#### Main part

Financial activities include operations with funds external to the investment project, i.e. coming not at the expense of the project. They consist of own (share) capital and borrowed funds. Cash flows from financial activities as inflows include investments of equity capital and borrowed funds: subsidies and subsidies, borrowed funds, including through the issue of the company's own debt securities; as outflows - the costs of repayment and servicing of loans and debt securities issued by the enterprise, as well as, if necessary, the payment of dividends on the shares of the enterprise.

Cash flows from financial activities are largely formed in the development of a financing scheme and in the process of calculating the effectiveness of an investment project. If the shoes produced are not fully sold, the company loses part of the profit, which is necessary for the further development of production. To reduce losses, the manufacturer must have daily information about the sale of products and make decisions on timely price changes for specific shoe models. Software was developed to calculate cash flow from operating activities. This software is necessary for a sales manager or marketer who controls the process of selling a particular model being

produced. As a result of the proposed calculation, we obtain a net inflow from operating activities. A decrease in sales results in a decrease in cash flow and requires a decrease in the selling price of the product in order to increase sales. If such an event does not lead to an increase in cash flow, then the question arises of the advisability of further production of this model. The algorithm for calculating the receipt of cash from operating activities is implemented using softwareMicrosoft Excel product, which can be installed at the workplace of almost any specialist. For this calculation, it is important to differentiate the data involved in the calculation. To calculate the cost of a particular manufactured model, the initial data are fixed and variable costs that depend on the production equipment, the composition of the main and auxiliary materials, the number of employees, etc. In the Excel calculation table, the cells in which these data are entered are highlighted in color. In the process of monitoring the sales of a particular model, this data remains unchanged. For another model, the data is corrected.

The calculation also contains data that does not depend on the model and is entered into the calculation table once. They are highlighted in color. Calculation formulas are also highlighted in color; they are recalculated automatically when the source data changes. The main input data used in the monitoring process are the selling price of a unit of production and sales volume. Thus, the calculation can be performed daily, or in a selected time range, while setting only the sales volume and unit price for a certain period, we will receive an increment in cash flow for this period.

To assess the effectiveness of the production activities of a shoe enterprise, it is necessary to analyze the annual results of the enterprise's work on the production of men's, women's and children's footwear assortment, that is, the entire product range.

With the implementation of 60% of shoes, the activity of the enterprise brings insignificant income. Basically, this income is achieved through the sale of men's shoes, since losses are observed in the women's assortment with these volumes. A further decrease in sales volumes will lead to an increase in losses. To solve this problem, the conditions for the sale of shoes within a specified period of time, as well as the sales volume of at least 50%, are necessary. If such a situation arises, it is necessary to attract borrowed funds to cover the costs and subsequent output. Table 1, using the example of children's winter shoes, shows the relationship between revenue, costs and production volume. By managing which you can analyze the financial results of the enterprise and make timely decisions to replace the range that is not in demand.



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Table 1. The impact of the sale of shoes on the financial condition of enterprises on the example of winter
children's shoes (model A)

Indiastors	The value of the indicator for various sales volumes per month (%)						
Indicators	100	80	72	60	40	30	20
Sales volume, pairs	31020	24816	22334	18612	12408	9306	6204
The price of one pair, rub.	890.9	890.9	890.9	890.9	890.9	890.9	890.9
Sales proceeds, thousand rubles	27635.72	22108.57	19897.36	16581.43	11054.28	8290.72	5527.14
Unit cost, thousand rubles	795.41	795.41	795.41	795.41	795.41	795.41	795.41
Total cost, thousand rubles, including	24673.63	21307.73	19897.36	18121.82	14845.93	13207.98	11570.03
Fixed costs, thousand rubles	8294.13	8294.13	8294.13	8294.13	8294.13	8294.13	8294.13
Conditionally variable costs, thousand rubles	16379.5	13013.6	11629.44	9827.69	6551.8	4913.85	327.59
Profit (+)	2962.09	800.84	-	-	-	-	-
thousand rubles	-	-	0	-1540.39	-3791.93	-4917.26	-6042.89
Taxes, thousand rubles	592.418	160.168	-	-	-	-	-
Net profit, thousand rubles	2369.672	640.672	-	-	-	-	-

The implementation of almost all types of financial transactions of the enterprise generates a certain cash flow in the form of their receipt or expenditure. This movement of funds of a functioning enterprise over time is a continuous process and is defined by the concept of "cash flow".

The cash flow of an enterprise is a set of timedistributed receipts and payments of cash generated by its economic activities.

The concept of the cash flow of an enterprise as an independent object of financial management has not yet received sufficient reflection not only in domestic, but also in foreign literature on financial management. Applied aspects of this concept are usually considered only as part of the issues of managing the balances of monetary assets, managing the formation of financial resources and anti-crisis management of an enterprise in case of bankruptcy. Even financial statements that characterize the movement of an enterprise's cash in dynamics have been relatively recently introduced into the system of international accounting standards (in our country, such reporting is in its infancy).

At the same time, the cash flows of an enterprise in all their forms and types, and, accordingly, its total cash flow, are undoubtedly the most important independent object of financial management, requiring the deepening of theoretical foundations and the expansion of practical recommendations. This is determined by the role that cash flow management plays in the development of the enterprise and the formation of the final results of its financial activities.

The high role of effective cash flow management of an enterprise is determined by the following main provisions:

- cash flows serve the implementation of the economic activity of the enterprise in almost all its

aspects. Figuratively, the cash flow can be represented as a system of "financial circulation" of the economic organism of the enterprise. Efficiently organized cash flows of an enterprise are the most important symptom of its "financial health", a prerequisite for achieving high final results of its economic activity as a whole;

- effective cash flow management ensures the financial balance of the enterprise in the process of its strategic development. The pace of this development, the financial stability of the enterprise is largely determined by how different types of cash flows are synchronized with each other in terms of volume and time. The high level of such synchronization provides a significant acceleration of the implementation of the strategic goals of the enterprise development;

- rational formation of cash flows helps to increase the rhythm of the implementation of the operating process of the enterprise. Any failure in the implementation of payments has a negative impact on the formation of inventories of raw materials and materials, the level of labor productivity, the sale of finished products, etc. At the same time, efficiently organized cash flows of the enterprise, increasing the rhythm of the implementation of the operational process, ensure the growth of production and sales of its products;

- Efficient cash flow management reduces the company's need for borrowed capital. By actively managing cash flows, you can ensure a more rational and economical use of your own financial resources generated from internal sources, reduce the dependence of the pace of enterprise development on attracted loans;

- this aspect of cash flow management is of particular relevance for enterprises in the early stages of their life cycle, whose access to external sources of financing is rather limited;



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- cash flow management is an important financial lever to ensure the accelerated turnover of the company's capital. This is facilitated by a reduction in the duration of the production and financial cycles, achieved in the process of effective cash flow management, as well as a decrease in the need for capital serving the economic activity of the enterprise. By accelerating the turnover of capital through effective cash flow management, the enterprise ensures the growth of the amount of profit generated over time;

- effective management of cash flows reduces the risk of insolvency of the enterprise. Even for enterprises that successfully carry out economic activities and generate a sufficient amount of profit, insolvency can occur as a result of the imbalance of various types of cash flows over time. Synchronization of receipts and payments of funds, achieved in the process of managing the cash flows of the enterprise, allows you to eliminate this factor in the occurrence of its insolvency;

- active forms of cash flow management allow the company to receive additional profit generated directly by its cash assets.

First of all, we are talking about the effective use of temporarily free cash balances as part of current assets, as well as accumulated investment resources in the implementation of financial investments. A high level of synchronization in terms of volume and time of receipts and payments of funds makes it possible to reduce the actual need of the enterprise for the current and insurance balances of funds serving the operating process, as well as the reserve of investment resources formed in the process of real investment. Thus, the effective management of the company's cash flows contributes to the formation of additional investment resources for the implementation of financial investments, which are a source of profit.

The considered aspects confirm the thesis about the need to allocate the cash flows of the enterprise into an independent object of financial management with the appropriate structural and staffing of this management.

The concept of "cash flow of the enterprise" is aggregated, including in its composition numerous types of these flows that serve economic activities. In order to ensure effective targeted management of cash flows, they require a certain classification.

The classification of cash flows is proposed to be carried out according to several main features Figure 1.

The considered classification allows more purposefully to carry out accounting, analysis and planning of cash flows of various types in the enterprise. The concept of studying the cash flows of an enterprise involves:

- identification of cash flows of the enterprise by their individual types;

- determination of the total volume of cash flows of certain types in the period under review.

The system of key indicators characterizing the volume of generated cash flows of the enterprise includes:

- volume of cash receipts;

- the amount of money spent;

- the amount of cash balances at the beginning and end of the period under review;

- the volume of net cash flow;

- distribution of the total volume of cash flows of certain types for certain intervals of the period under review. The number and duration of such intervals is determined by the specific tasks of analyzing or planning cash flows;

- assessment of factors of internal and external nature, influencing the formation of cash flows of the enterprise.

Taking into account the content of this concept, cash flow management is organized as an independent object of financial management.

Cash flow management of an enterprise is an important part of the overall system for managing its financial activities. It allows you to solve various problems of financial management, and is subordinated to its main goal.

The process of managing the cash flows of an enterprise is based on certain principles, the main of which are:

- the principle of informative reliability. Like every control system, cash flow management of an enterprise must be provided with the necessary information base. The creation of such an information base presents certain difficulties, since there is no direct financial reporting based on uniform methodological principles of accounting. Certain international standards for the formation of such reporting began to be developed only in 1971 and, according to many experts, are still far from complete (although the general parameters of such standards have already been approved, they allow for variability in the methods for determining individual indicators of the adopted reporting system). Differences in accounting methods in our country from those accepted in international practice further complicate the task of forming a reliable information base for managing the enterprise's cash flows. Under these conditions, ensuring the principle of informative reliability is associated with the implementation of complex calculations that require the unification of methodological approaches;



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Figure 1 - Classification of cash flows

- the principle of ensuring balance. Enterprise cash flow management deals with many of their types and varieties, considered in the process of their classification. Their subordination to the common goals and objectives of management requires balancing the cash flows of the enterprise by types, volumes, time intervals and other essential characteristics. The implementation of this principle is associated with the optimization of the company's cash flows in the process of managing them;

- the principle of ensuring efficiency. The cash flows of the enterprise are characterized by a significant unevenness in the receipt and expenditure of funds in the context of individual time intervals, which leads to the formation of significant amounts of temporarily free cash assets of the enterprise. In essence, these temporarily free balances of funds are in the nature of non-productive assets (until they are used in the economic process), which lose their value over time, from inflation and for other reasons. The implementation of the principle of efficiency in the process of managing cash flows is to ensure their effective use by making financial investments of the enterprise;

- the principle of providing liquidity. The high unevenness of certain types of cash flows generates a temporary shortage of funds of the enterprise, which adversely affects the level of its solvency. Therefore, in the process of managing cash flows, it is necessary to ensure a sufficient level of their liquidity throughout the entire period under review. The implementation of this principle is ensured by appropriate synchronization of positive and negative cash flows in the context of each time interval of the period under consideration.



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Taking into account the considered principles, a specific process of managing the cash flows of an enterprise is organized.

The main goal of cash flow management is to ensure the financial balance of the enterprise in the process of its development by balancing the volume of receipts and expenditures of funds and their synchronization in time.

Cash analysis and cash flow management includes the calculation of the time of circulation of funds (financial cycle), cash flow analysis, its forecasting, determining the optimal level of cash, budgeting cash and so on.

We list the main tasks of cash analysis:

- operational, daily control over the safety of cash and securities at the cash desk of the enterprise;

- control over the intended use of funds;

- control over correct and timely settlements with the budget, suppliers and personnel;

- control over compliance with the forms of payment established in contracts with buyers and suppliers;

- timely reconciliation of settlements with debtors and creditors to exclude overdue debts;

- analysis of the state of absolute liquidity of the enterprise;

- observance of terms of payment of accounts payable;

- Promoting competent management of cash flows of the enterprise.

There are two methods for conducting cash flow analysis: direct and indirect.

The direct method involves the calculation of income (revenue from the sale of products, works and services, advances received, etc.) and expenses (payment of supplier invoices, return of received short-term loans and borrowings, etc.) of funds, i.e. the information base for cash flow analysis is revenue.

The indirect method is based on the identification and accounting of cash flow transactions and the sequential adjustment of net income, i.e. the starting point is profit.

The direct calculation method is based on the reflection of the results of operations (turnovers) on cash accounts for the period. In this case, operations are grouped into three types of activities:

- current (operational) activities - receipt of sales proceeds, advances, payment of supplier accounts, receipt of short-term loans and borrowings, payment of wages, settlements with the budget, paid/received interest on loans and borrowings;

- investment activity - the movement of funds associated with the acquisition or sale of fixed assets and intangible assets;

- financial activities - obtaining long-term loans and borrowings, long-term and short-term financial investments, repayment of debts on previously received loans, payment of dividends. The calculation of cash flow by the direct method makes it possible to assess the solvency of the enterprise, as well as to exercise operational control over the inflow and outflow of funds.

The indirect method is preferable from an analytical point of view, as it allows you to determine the relationship between the profit received and the change in the amount of cash. Calculation of cash flows by this method is based on the net profit indicator with its necessary adjustments in items that do not reflect the movement of real money in the relevant accounts.

To eliminate discrepancies in the formation of the net financial result and net cash flow, adjustments are made to net profit or loss, taking into account:

- changes in inventories, receivables, short-term financial investments, short-term liabilities, excluding loans and credits, during the period;

- non-cash items: depreciation outside current assets; exchange differences; profit (loss) of previous years, revealed in the reporting period and others;

- other articles that should be reflected in investment and financial activities.

The direct method is based on the calculation of cash inflows and outflows, that is, the initial element is the cash flow itself, identified according to the accounting accounts.

The direct method involves identifying all entries that affect the debit of cash accounts (cash inflow) and the credit of cash accounts (cash outflow).

Consistent viewing of all postings provides, among other things, a grouping of outflows and inflows of funds for the types of activity that are separate above (current, investment, etc.). Since, when implementing the direct method of analysis, calculations are made on the basis of accounts, from a formal standpoint, cash flow analysis can be performed on any date.

The direct method of cash flow analysis allows you to:

- to assess whether sufficient net cash flow is formed as a result of current activities for its implementation and for the planned investment activities;

- whether financial activity is needed as a balancing activity and what should be the amounts and directions of cash flows for it;

- what are the main directions of spending and the main sources of cash receipts for each of the three types of activities and for the organization as a whole;

-how will the cash flows for the period affect the level of cash balances at the end of the period;

- what is the structure of the organization's cash flows by type of activity, as well as what cash flows form the net cash flow for each type of activity.

In the course of the analysis, it is necessary to calculate indicators of the structure of receipts and payments by types of activity, as well as indicators of the dynamics (growth rates) of receipts and payments.



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When evaluating net cash flows by type of activity, the following should be taken into account:

- net cash flow from current activities should be positive. A positive cash flow from current activities is evidence of the successful operation of the organization and the possibility of further development at the expense of its own funds;

- net cash flow from investing activities should be negative (that is, payments should exceed receipts; since investing activities are associated with the acquisition and sale of non-current assets), this indicates that significant investments are being made in non-current assets and, probably, production capacities are expanding enterprises; - net cash flow from financing activities should be positive (since these activities are associated with a change in equity invested capital and borrowings), this indicates that the organization is financing its expanding activities from external sources (and not just retained earnings and accounts payable);

- for a stable developing organization, payments and receipts from current activities should prevail in total receipts and payments.

A growing organization is characterized by positive growth rates of cash flow indicators, which should correspond to the dynamics of financial results.

In table 2, consider the main cash flows for men's and women's shoes:

#### Table 2. Main cash flows for men's and women's shoes

Index	male	female	Total
Funds received from buyers and customers, rub.	206588280	359618900	566207180
Payment for goods, works, services, raw materials and other	1335169.03	2371190.52	3706359.55
current assets, rub.			
Salary, rub.	1845241.1	1778400	3623641.1

Let's analyze the cash flow using the direct method. To do this, we will calculate the following data:

- income tax (20%) - 566207180 rubles \* 0.2 = 113241436 rubles;

- to the federal budget (0.4%) - 566207180 rubles \* 0.004 = 2264828.72 rubles;

- to the territorial budget (3.6%) - 566207180 rubles \* 0.036 = 20383458.48 rubles;

- insurance contributions to off-budget funds (30%):

a) Pension Fund (22%) - 3,623,641.1 rubles \* 0.22 = 797,201.042 rubles;

b) Social Insurance Fund (2.9%) - 3623641.1 rubles \* 0.029 = 105085.5919 rubles; c) Compulsory Medical Insurance Fund (5.1%) - 3,623,641.1 rubles \* 0.051 = 184,805.6961 rubles;

d) Total insurance premiums - 797201.042 + 105085.5919 + 184805.6961 = 1087092.33 rubles;

- net cash flows from current activities amounted to 422987456.15 rubles;

- 1,000,000,000 rubles will be spent on the acquisition of fixed assets (net cash from investment activities in the red);

- targeted financial receipts to support small businesses amounted to 1500000000 rubles (net cash from financial activities in positive territory);

- cash balance at the end of the reporting period 922987456.2 rubles.

Let's compile table 3 on the analysis of cash flows by the direct method:

#### Table 3. Cash flow analysis by direct method

Index	Amount, rub.
Cash balance at the beginning of the reporting year	0
Cash flow from current activities	
Funds received from buyers, customers	566207180
Other income	0
Funds sent to:	
to pay for purchased goods, works, services, raw materials and other current assets	-3706359.55
for wages	-3623641.1
For the payment of taxes and deductions in total:	-135889723.2
Income tax (20%)	-113241436
Federal budget (0.4%)	-2264828.72
Territorial budget (3.6%)	-20383458.48
For insurance contributions to off-budget funds (30%) total:	-1087092.33

## **Impact Factor:**

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<b>GIF</b> (Australia)	= 0.564
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РИНЦ (Russia	.) = <b>3.939</b>
E <b>SJI</b> (KZ)	= <b>8.771</b>
SJIF (Morocco	) = <b>7.184</b>

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Index	Amount, rub.
Pension fund (22%)	-797201.042
Social Insurance Fund (2.9%)	-105085.5919
Federal Compulsory Medical Insurance Fund (5.1%)	-184805.6961
Net cash from operating activities	422987456.15
Cash flow from investing activities	
Proceeds from the sale of fixed assets and other non-current assets	0
Interest earned	0
Acquisition of fixed assets, profitable investments in tangible assets and intangible assets	-100000000
Acquisition of securities and other financial investments	0
Loans granted to other organizations	0
Net cash from investing activities	-100000000
Cash flow from financing activities	
Targeted financial receipts (to support small businesses)	150000000
Repayment of loans and credits (without interest)	0
Net cash from financing activities	150000000
Cash balance at the end of the reporting period	922987456.2

The receipt of funds in the first year of the implementation of the cluster will be: DS = 922987456.2 rubles. Thus, the cash inflow will be 922987456.2 rubles, since this is a positive and rather large value, it can be assumed that the creation of a cluster is effective.

The production and economic activity of each enterprise is associated with the difficult task of managing cash flows, regardless of the economic conditions in which it is located. Effective management of financial resources in the current economic conditions is extremely relevant, since the financial condition of many of them can be described as extremely unstable. At enterprises, in most cases, there is no proper organization of the financial system, there is no relationship between structural units, their functions have not been established and not delineated. Lack of qualified specialists leads to inefficient use of funds.

In modern conditions, the deepening of the theoretical base and the expansion of practical recommendations is the basis for improving the cash flow management system of enterprises, which are traditionally the most important independent object of financial management. At the same time, the development of new forms and methods of cash flow management with a focus on the specifics of the enterprise's activities is of particular importance.

The model of cash flow management offered by us can be taken as the basis for creating an effective cash flow management system at an enterprise.

The proposed model describes the stages of the functional content of cash flow management activities in the enterprise. Its implementation will allow, through a series of sequential analytical operations, to create a cash flow management system.

The process of implementing this model in stages:

1. Planning the development of a cash flow management system.

Analysis of cash flows in the previous period.
Optimization of cash flows based on the results obtained.

4. Planning of cash flows of the enterprise in the context of their individual types.

5. Providing a system for effective control over the cash flows of the enterprise.

Each of the listed stages consists of successive action steps.

Stage 1. "Planning the development of a cash flow management system" consists of the following steps.

Step 1.1. Definition of goals and objectives of the cash flow management system. This step will help the leaders of the enterprise in realizing the need to manage cash flows. Objectives should focus on sizing cash flow management problems and identifying specific projects for improvement.

Step 1.2. Determination of the main criteria for cash flow management. To achieve this goal, it is necessary to determine the main criteria for cash flow management, while compiling their approximate list.

Step 1.3. Classification of cash flows of the enterprise according to the main features. Unlike the previous step, here a complex classification characteristic of the enterprise's cash flows is developed, which, depending on the type of task, allows you to evaluate and select the area of managerial influence. The classification of cash flows allows you to purposefully carry out accounting, analysis and planning of cash flows in the enterprise.

Step 1.4. Selection of departments responsible for providing information, analysis, optimization, planning and control over cash flows. At this stage, it is necessary to justify the choice of a particular service responsible for providing data, as well as those



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directly responsible for analyzing, optimizing, planning cash flows and monitoring the execution of management decisions in this direction. It is advisable to assign these functions to the accounting department of the enterprise, the economic (planning) department and the financial and analytical service (if such a service has been created at the enterprise), distributing responsibilities according to their capabilities. To achieve the greatest effect from cash flow management, it is necessary achieve to interconnection in the work of these departments.

Stage 2. Analysis of the company's cash flows in the previous period.

Step 2.1. Definition of sources of information the main sources of information, internal and external, necessary for the analysis of cash flows of the enterprise are determined. The main sources of data are the forms of financial statements of the enterprise, which are compiled by the accounting department. Obtaining information from external sources can be carried out either by the economic department or by the financial and analytical service of the enterprise, depending on the characteristics of the required data.

Step 2.2. Vertical and horizontal analysis of enterprise cash flows. This step is an important part of the whole stage. The direct object of analysis is the data of the financial statements of the enterprise. Horizontal analysis is based on the calculation of analytical indicators for each analytical article (based on Form No. 1 of financial statements) in the form of absolute changes, identifying patterns and causes of changes. Vertical analysis is based on the consideration of structural changes in the receipt of funds, their expenditure, as well as the reasons for their occurrence.

Step 2.3. Identification of factors affecting the cash flows of the enterprise. This action is to develop a system of factors that affect cash flows. In the process of its implementation, the features of the functioning of the enterprise, the features of cash flow are determined. The developed system of factors will help to determine the objects of managerial influence.

Step 2.4. Calculation of financial indicators. At this stage, the net cash flow, liquidity indicators, turnover efficiency of cash flows are calculated, the results of calculations of individual indicators are compared with the upper and lower limits. Reasons for deviations are identified. The calculation of indicators will allow assessing the financial condition of the enterprise and the level of solvency.

Stage 3. "Optimization of cash flows based on the results."

Step 3.1. Development of a cash flow optimization subsystem - involves the optimization of cash flows in two directions:

- assessment of the sufficiency of the net cash flow;

- Calculation of the optimal cash balance.

The significance of these areas lies in the fact that, firstly, net cash flow is the main effective indicator of cash flow, and secondly, a positive cash flow for a certain period does not guarantee the constant solvency of the enterprise throughout the entire period, therefore, it is necessary to calculate the optimal balance Money.

The first direction of cash flow optimization is based on identifying and eliminating the causes of a negative or excessive amount of net cash flow, since in the first case, excess cash depreciates during inflation, and in the second case, the company faces the problem of insolvency due to lack of cash.

Stage 4. Planning of cash flows of the enterprise in the context of their individual types. At this stage, it is necessary to take into account all the shortcomings identified in the process of analyzing and optimizing cash flows. To do this, follow the next steps.

Step 4.1. Development of documentary forms of cash flow planning. At this stage, the form of the cash flow plan is being developed.

Step 4.2. Drawing up a plan for the movement of funds of the enterprise. This document should include all incoming and outgoing cash flows in the planning period. It is developed for a period of up to one year with a monthly breakdown of forthcoming receipts and payments. The cash flow plan is an integral part of financial planning in the enterprise.

Stage 5. Ensuring effective control over cash flows by the system. This stage involves checking the execution of all management decisions in the field of cash flows, monitoring the progress of the implementation of financial tasks, developing operational management decisions to normalize the company's cash flows in accordance with the tasks envisaged, adjusting the cash flow management policy due to changes in various factors affecting cash flows.

Thus, the developed cash flow management model is a sequence of steps for organizing an effective cash flow management system that will allow maintaining the financial balance of the enterprise in the course of its production and economic activities and ensure the smooth functioning of production. Let's calculate the cash inflows and outflows from production and investment activities, which are presented in table 4.



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Table 4. Cash inflows and outflows as a result of the implementation of the work done

Name of indicator	Cash inflows (+)	Cash outflows (-)
Receipt of funds from buyers (revenue from sales, rubles)	+568637650	
Cash payments for raw materials to suppliers and wages to employees		-17547479.15
of the enterprise, rub.		
Taxes, total rub.		-113727530
1. Income taxes, total rub.		
Federal budget		-2274550.6
Territorial budget		-20470955.4
2. Insurance premiums, rub.		-5264243.74
Including:		
-Pension Fund		-3860445.41
-Social Insurance Fund		-508876.9
-Federal Compulsory Medical Fund. insurance		-894921.43
Acquisition of fixed assets, rub.		-100000000
Targeted financial receipts (under the small business support program),	+150000000	
rub.		
Total	+2068637650	- 1164549002.63

The cash flow in the first year of the project implementation will be:

DS \u003d 2068637650 - 1164549002.63 \u003d 904088647.37 rubles. Thus, the cash inflow will be 904088647.37 rubles. To select the optimal power, the authors have developed software that allows manufacturers, based on an innovative process using universal technological and multifunctional equipment, to produce the entire range of footwear at minimum, average and maximum costs, which creates the basis for varying the price niche, including through gradual increase in the share of domestic components in the production of leather products with a significant reduction in the cost of its manufacture. At the same time, it was justified to choose exactly those criteria as criteria for a reasonable choice of the optimal power when forming the algorithm.

- coefficient of loading of workers, %;

- labor productivity of one worker, a pair;

-losses in wages per unit of output, rub.;

-specific reduced costs per 100 pairs of shoes, rub.

Of the four criteria given, in our opinion, the main ones are the labor productivity of 1 worker and the specific reduced costs.

Labor productivity of 1 worker is the most important labor indicator. All the main indicators of production efficiency and all labor indicators depend to one degree or another on the level and dynamics of labor productivity: production, number of employees, wages, wages, etc.

To increase labor productivity, the introduction of new equipment and technology, extensive mechanization of labor-intensive work, automation of production processes, advanced training of workers and employees, especially when introducing innovative technological processes based on universal and multifunctional equipment, are of paramount importance.

Specific reduced costs - an indicator of the comparative economic efficiency of capital investments, used when choosing the best of the options for solving technological problems.

When comparing possible options for solving a technical problem, rationalization proposals, technical improvements, various ways to improve product quality, the best ceteris paribus is considered to be the option that requires a minimum of reduced costs.

Reduced costs - the sum of current costs, taken into account in the cost of production, and one-time capital investments, the comparability of which with current costs is achieved by multiplying them by the standard coefficient of efficiency of capital investments.

To assess the effectiveness of the production activities of a shoe enterprise, it is necessary to analyze the annual results of the enterprise's work on the production of men's and women's footwear assortment.

These calculations indicate that with 100% of the sale of men's and women's shoes in the specified period of time, not only the costs of production and sale of products are covered, but there is also a profit in the amount of 3697.4 thousand rubles. This indicates the effective operation of the enterprise, as well as the correct marketing and assortment policy. Product profitability is 14.9%.

Table 5.17 presents the annual results of the shoe enterprise for the production of men's and women's footwear assortment.



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Picture 1. Assortment of men's shoes





Model A1 Model B 2 Model C3 ModelG4ModelD5ModelE6





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**IBI** (India)

**OAJI** (USA)





ModelJ7ModelZ8ModelI9 ModelK10ModelL11ModelM12

Picture 2. The range of women's shoes

Most often, an enterprise sells shoes through stores with payment after sale, concluding contracts with trade, indicating the timing of receipt of funds to the manufacturer's accounts.

In this case, if the footwear is in demand and is sold in full, then the company receives money on time, which is also needed to pay salaries, purchase working capital and other expenses to ensure the development of production.

During the year, the company produces 327,903 pairs of shoes. With 100% sales of these products, the company will receive revenue in the amount of 392202.1 thousand rubles. However, this situation is not always the case.

For example, when selling autumn low shoes in the amount of 80% of the production volume, the profit is reduced by 43.15% and amounts to only 1178 thousand rubles, while the sale of shoes less than 47.4% of the production volume brings losses to the enterprise. Due to the lack of funds, it is necessary to reduce the volume of production, delay the payment of wages to workers, for which at present the heads of the enterprise can be held accountable, even criminally. If such a situation arises, it is necessary to attract borrowed funds to cover costs and organize subsequent production, which is currently associated with certain difficulties: the interest on the loan has been significantly increased (up to 18%), the loan repayment period has been reduced, etc., leading to an even greater increase in production costs.

Shoe enterprises should focus on both external (consumer enterprises, competition, market conditions, etc.) and internal factors, such as sales volume, profitability, covering basic costs, etc. However, it is impossible to take into account and foresee all situations that may arise. when selling shoes, i.e. some shoe models at a certain stage are no longer in demand. In this case, another, usually not advertised, side of marketing should appear: if shoes, without taking into account even market requirements, have already been produced, then they must be sold. For this purpose, in order to respond to



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lower prices of competitors, it is necessary to reduce too large stocks, get rid of damaged, defective shoes, liquidate leftovers, attract a large number of consumers, stimulate shoe consumption, using discounts. There are about twenty types of discounts, but for shoes the most common are those types of discounts that are used at various levels of the enterprise, sales organizations, and trade. In addition to using discounts, an enterprise can go for an initiative price reduction in case of underutilization of production capacities, a reduction in market share under the pressure of competition from competing enterprises, etc. In this case, the enterprise takes care of its costs, developing measures to reduce them by improving equipment and technology, introducing new types of materials into production, and constantly improving the quality of products. And all this requires large financial costs from enterprises, but, nevertheless, helps to increase the competitiveness of certain types of leather products and the enterprise as a whole. In addition, the greater the number of footwear products produced, the more production costs are reduced, which leads to lower prices, and most importantly, creates such conditions for the functioning of the market that would not allow other competing enterprises to enter it and would cause a positive reaction from consumers.

The developed software allows the head of the enterprise not only to monitor the flow of funds on a daily basis, but what is especially important, to predict the replacement of one model, the demand for which has decreased to a critical volume, when funds are not provided to cover the production costs associated with this model, and the transition to production of a new model, the demand for which, based on the analysis of the marketing service, as it were, guarantees its viability and demand in an amount sufficient not only to cover the costs of its production, but also to obtain the necessary profit to ensure the production itself without provoking bankruptcy.

Of course, it's good when there is already the necessary support for this very demand for a new model, namely:

- agreements with consumers on delivery with prepayment;

— a guarantee of branded stores that during the trial sale of the models they caused demand and there is a demand for them within the volumes at which the return of funds spent on their launch will be ensured and profit will be ensured, which will ensure the company receives high TEC and stability in the formation and provision consumer of competitive and demanded products.

Thus, taking into account the software for tracking the movement of cash flow and the presence of a well-established marketing service that is able to provide the very process of regulating the demand for the company's products, it is always possible to make the right decision to replace one model with another, while creating the basis for obtaining high TEC and preventing the labor collective from bankruptcy.

Of course, all this is just a wish, but in reality such work should be carried out daily. To do this, it is necessary to reconsider our attitude to the so-called break-even point, which, as it were, forms the conditions for the implementation of all our conclusions on the formation of competitive industries, providing labor collectives with high TEC and creating the basis for preventing their bankruptcy.

The traditional version of building a break-even point provides an understanding that the output of a given model cannot be less than a certain number of pairs of a given model.

But with a large assortment of production, the number of manufactured pairs is formed by its demand, and if demand does not ensure its implementation in the volume that ensures the return of all funds spent on this model to the enterprise, in this case the manager must decide on the advisability of launching it into production. Therefore, we consider it justified when constructing the break-even point to indicate not only the volume of production of this model, which would guarantee the return of all costs for this model, but also for how long it is necessary to replace it with a new one so that the return of these funds is provided in full and with receipt profit (table 5).

Indicators	Jan.	Feb.	March	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec.
Sales volume, pairs	26114	26114	29661	29661	29661	28168	28168	28168	25358	25358	25358	26114
Sales proceeds, thousand rubles	45032.84	45032.84	31026.82	31026.82	31026.82	24033.9	24033.9	24033.9	30640.47	30640.47	30640.47	45032.84
Unit cost of production, rub.	1435.54	1435.54	890.2	890.2	890.2	726.7	726.7	726.7	1024.58	1024.58	1024.58	1435.54

Table 5. Annual results of the shoe enterprise for the production of men's and women's shoes



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Full cost, thousand rubles	37487.78	37487.78	26405.04	26405.04	26405.04	20373.34	20373.34	20373.34	25747.78	25747.78	25747.78	37487.78
Profit from sales, thousand rubles	7545.06	7545.06	4621.78	4621.78	4621.78	3660.56	3660.56	3660.56	4892.69	4892.69	4892.69	7545.06
Income tax, thousand rubles	1509	1509	924.36	924.36	924.36	732.112	732.112	732.112	978.5	978.5	978.5	1509
Net profit, thousand rubles	6036	6036	3697.4	3697.4	3697.4	2928.448	2928.448	2928.448	3914.19	3914.19	3914.19	6036
Product profitability, %	16.8	16.8	14.9	14.9	14.9	15.2	15.2	15.2	15.9	15.9	15.9	16.8

#### Conclusion

Scientific knowledge is fixed in theory, but not every theory has the quality of scientificity. The development of science is, from the methodological and epistemological points of view, a change in the rules for achieving the quality of the cognitive process. "... The growth of scientific knowledge, wrote one of the most authoritative experts in the field of epistemology K. Popper, is the most important and interesting example of the growth of knowledge. In considering this question, it should be remembered that almost all the problems of traditional epistemology are related to the problem of the growth of knowledge. I am inclined to say even more: from Plato to Descartes, Leibniz, Kant, Duhem and Poincare, from Bacon, Hobbes and Locke to Hume, Mill and Russell, the development of the theory of knowledge was inspired by the hope that it would help us not only to learn something about knowledge but also to make a certain contribution to the progress of knowledge,

The German specialist drew attention to an important change in the vector of movement of scientific and philosophical knowledge. In the initial period of the history of science and philosophy, when a scientist and philosopher most often acted in one person, there was a belief that the subject of study were objects of interest, or that knowledge about them that had already been obtained in experience - ideas, images, concepts. With Berkeley, Hume came a new interpretation: in order to achieve the objectivity and significance of knowledge, it is necessary to investigate not thoughts, opinions, views, but logical signs of judgments, statements and sentences. K. Popper commented on this shift of interest as follows: "I am ready to admit that this replacement of Locke's "new method of ideas" with the "new method of words" was an undeniable progress, and it was urgently needed in its time." However K. Popper refused to recognize the "new method of ideas" as the main method of epistemology, explaining his opinion by the one-sidedness and vulnerability of its use. We

were forced to recall the thoughts of K. Popper by the following consideration: the classics of political economy began with a real-life subject, trying to discover its stable characteristics, developed concepts that reflected these features, tried to "glue" them into a system that describes the change in the state of the object of study, ran into contradictions of ideas and reality, discussed, based on the real practice of the analyzed phenomenon. They were contemporaries of the Industrial Revolution and the revolutionary potential of classical capitalism. Capital then was industrial capital. Financial capital was only taking shape as an independent system. Political economy did not reflect speculation, virtual phenomena, she served the real movement. The vector of industrial and economic progress coincided with the ideology of those who were interested in it. The transformation of victorious capitalism turned out to be in the interests not so much of society as a whole, but of a certain part of it, by the way, also torn apart by the specifics of interests.

Economic theory, which is connected with the activities of social subjects, began to lose the need for objectivity and therefore moved from the position of analyzing ideas to analyzing the forms of their expression. The methodological equipment of economic analysis has also changed. Quantitative analysis has supplanted the quality of scientific synthesis of primary information. Conceptual analysis has been replaced by linguistic exercises and semantic studies under the plausible pretext of overcoming the ambiguity of concepts. In no science has so many new terms appeared as in economic theory.

The formation of new words is a natural phenomenon for science, but in each case, the legitimacy of neologisms is needed. Physicists, mathematicians, chemists, as a rule, manage with the accumulated stock of verbal expression of concepts. In economic theory, there is a kind of competition who will come up with a new word more and faster, so the description of real phenomena is not concretized, but blurred, complicating the



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understanding of the subject. The concept of "planning" generalizes the functioning of subjects of economic activity, the scale of its movement, and much more. Planning can be within a single enterprise, then it is not a political element of control - it is determined by management based on the economic situation; branch, on this scale it already has signs of a political phenomenon. Planning is divided into directive - mandatory for execution and indicative, that is, conditional, allowing you to count on preferences. Distinguish between current and long-term planning. But, regardless of the nature, planning is a universal management tool in the systemic organization of activities - cognitive, practical, synthetic.

F. de P. Hanika - Professor at the University of Khartoum, taught a course at Cambridge. In the book New Ideas in Management, using the example of financial estimates, he identifies three main points in resource management, and in all planning comes first. Moreover, he begins the final chapter "Analysis of operations" with "Improving control technology" and concludes: "A group of new methods based on network analysis and applied in the planning and control of complex projects is developing rapidly."

The reflections of J. Galbraith are still interesting and relevant, therefore, in the context of our preface, we will give fragments of his text selectively, but relatively completely. J. Galbraith stated: "Of all the words in the businessman's lexicon, such words as planning, state support and socialism are the least pleasing to his ear. A discussion of the likelihood of these phenomena occurring in the future would lead to the realization of the amazing extent to which they have already become facts. It would also not go without stating the fact that these terrible things arose at least with the tacit consent of the industrial system, or as a result of the fact that she herself needed them.

J. Galbraith sees the future not in confrontation, but in convergence: "Thinking about the future, the scientist wrote, one would also reveal the importance of the trend towards convergence of industrial societies, no matter how different their national or ideological claims may be. We mean convergence due to a roughly similar system of planning and

organization. Convergence is associated, first of all, with the large scale of modern production, with large capital investments, advanced technology and complex organization as the most important consequence of these factors. All this requires control over prices and, as far as possible, control over what is bought at these prices. In other words, the market must be replaced by planning.... Large-scale industrial production requires so that the supreme power of the market and the consumer be largely eliminated." Further, J. Galbraith makes an even more imperative conclusion: "The ability to regulate aggregate demand is not inherent in the industrial system - the ability to provide purchasing power sufficient to absorb everything that it produces. Therefore, it relies on the state in this area." The economic policy of the government of Boris N. Yeltsin was determined not by the international experience of political and economic reforms, but by the circle of liberal advisers from the United States who went bankrupt in their own country. Anyone who had a chance to listen to Gaidar's speeches justifying the economic redistribution of society was steadily surprised by their terminological richness and their little intelligible effect. Gaidar was aware of the adventurism of the economic program, its grave consequences for the people and national history,

It was no coincidence that J. Galbraith devoted a separate chapter to education and emancipation, reminding university professors of their professional responsibility for the social consequences of their inaction. Vocational education, by its systemic position, should form in specialists an understanding of the essence of economic and political processes. It is dangerous to replace education with enlightenment and training, it is designed to create conditions for the formation of a person's worldview position: "Not a single intellectual, not a single artist, not a single teacher, not a single scientist has the right to afford the luxury of doubting his responsibility. No one, except for them, can take upon themselves the protection of goals that are essential, important for our time, "concluded the American politician, concerned about the fate of the world.

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	ISRA (India)	= 6.317	SIS (USA)	<b>= 0.912</b>	ICV (Poland)	= 6.630
Impost Foston	<b>ISI</b> (Dubai, UAE) = <b>1.582</b>	) = 1.582	РИНЦ (Russia)	= 3.939	<b>PIF</b> (India)	= 1.940
impact ractor:	<b>GIF</b> (Australia)	= 0.564	ESJI (KZ)	= <b>8.771</b>	IBI (India)	= 4.260
	JIF	= 1.500	SJIF (Morocco)	) = 7.184	OAJI (USA)	= 0.350

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