Features and Problems of Inventory Accounting in Current Assets of Construction Organizations Based on the Supply Chain Strategies

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Abstract The future looks bright for the infrastructure sector and we have made incredibly positive steps towards evolving our practices to collaborate with supply chain partners. Sustainability in the supply chain is becoming more and more important for industrialenterprises in different sectors. This research article focuses on construction supply chains in the industry, where every product is almost unique based on specificcustomer needs and requirements. The article deals with the essence and concept of current assets of an enterprise and their management in the field of construction activities. The concept of material and production stocks, their features and problems of accounting in a construction organization are specified.

Keywords: *enterprise assets, current assets, property, inventory, accounting supply chain management*

1. Introduction

The study of theoretical issues related to the management and accounting of inventory in construction organizations is quite relevant and important problem today. The purpose of the study is to determine the essence of current assets, specify the concept of inventory, as well as identify and consider the main problems of their accounting in construction organizations. To achieve this goal, you need to understand what the concept of "current assets" is. According to E. S. Denisenko assets of the company is "the property that is the property of the organization or individual that has monetary value, able to generate income and other economic benefits arising from past events" [1]. N. S. Safonov notes that "the asset is property and debt receivable, expressed in terms of value that is available to the company and providing future income" [2]. After analyzing the literature [3-8], we can come to the conclusion that the definition of assets is similar to such economic categories as funds, material things, economic resources and property of the enterprise [3].

Supply chain management in the construction industry is the relationship between the suppliers and the contractors involved in the overall project. This integrated approach is the foundation of success whereby all the stakeholders have a full understanding of the resources, logistics and the people involved to ensure the project and programme are delivered on time and budget.

While the construction industry will never die, as suggested in the [7], there is always a looming risk of costs spinning out of control on complex projects or due to unpredictable events such as funding or political change.

2. Method

For the correct organization of inventory accounting in construction organizations, it is important to classify, evaluate, and select the accounting unit. Depending on the role that various production stocks play in the construction production process, they are divided into the following groups [9]:

– basic building materials;
– purchased semi-finished products;
– product designs and details;
– auxiliary materials: fuel, containers, spare parts; – returnable production waste;
– inventory and household supplies.

The main building materials is a subject of labor used to make product and material which consists in manufacturing products, forming its material basis (cement, brick, metal, clay, wood, etc.).

Purchased semi-finished products – components, design, details, materials past a certain stage of processing and packaging, but is not yet a finished building products acquired by the company. In the manufacture of construction products, they play the same role as the main building materials, that is, they form its material basis [9].

Structures, products, and parts include reinforced concrete, concrete, metal, wood, and plastic structures and products; joinery, embedded parts, sanitary and Electromechanical products, rails, sleepers, pipes, and so on.

3. Results

Construction supply chains have two options: be lean, or be agile. There are trade-offs with each option, but it'st

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is essential that programme leads be realistic about the needs of customers when building a supply chain [10]. Lean supply chains are most appropriate when demand is steady, consistent and predictable. In retail, lean supply chains form when price, quality, reliability (in the form of consistency) are a crucial determinant. From the group of auxiliary materials, they are used for influencing raw materials and basic materials, giving the product certain consumer properties, or for servicing and caring for tools and facilitating the production process.

Fuel, containers and container materials, spare parts are singled out separately due to the specific use. Fuel – is divided into technological (for technological purposes), motor (fuel) and household (for heating).

Containers and container materials – items used for packaging, transportation, and storage of various materials and products (bags, boxes, and boxes). Spare parts are used to repair and replace worn-out parts of machines, mechanisms and equipment.

Returnable production waste – remains of raw materials and materials formed during their processing into finished products that have completely or partially lost the consumer properties of raw materials and materials (sawdust, shavings, etc.)

Inventory and household equipment is part of inventory organization used as a means of labor for no more than 12 months or usual operating cycle if it exceeds 12 months (inventory, tools, etc.). Unit inventory is selected by the organization itself, therefore, to provide formation of full and reliable information about these stocks, as well as control over their presence and movement. Production inventory can be delivered to an organization in one of the following ways [9]:

– purchase for a fee, including under barter agreements;

– receipt as a contribution to the authorized capital;

– free admission;

– receipt during liquidation and dismantling of fixed assets and equipment;

– own auxiliary production;

– identification of surpluses in the inventory of property.

If an organization has purchased production inventory for a fee, the actual cost is the amount of the organization's actual costs for their acquisition, which is formed from the following components:

– the amount paid in accordance with the contract to the seller;

– the amount paid to organizations for information and consulting services related to the acquisition of production stocks; – customs duties;

– remuneration paid to the intermediary organization through which the products were purchased;

– costs of procurement and delivery of production stocks to the place of their use, including insurance costs;

– expenses for the maintenance of the organization's procurement and storage division;

– costs for transport services for the delivery of production stocks to the place of their use, if such costs are not included in the price of production stocks established by the contract;

– accrual of interest on loans provided by suppliers (commercial loans);

– accrual of interest on borrowed funds, if they are attracted for the purchase of these stocks, before taking into account production stocks;

– the cost of bringing the materials to the state in which they are suitable for use for the intended purposes.

These costs include the organization's expenses for part-time work, sorting, packing, and improving the technical characteristics of the received inventory, which are not related to the production of products (performance of works, provision of services).

In modern economic conditions, the activity of a construction organization is conditioned by the need to change the policy of managing current assets in order to further accelerate their turnover. Any organization must have in its current assets a sufficient number of production stocks to ensure a uniform production process [4, 11]. Material and production stocks are a significant part involved in the production process of enterprises and are assets that are used in the production of products as raw materials, basic and auxiliary materials, purchased semi-finished products and returnable waste. The estimation of material and production stocks is carried out at the actual cost, which depends on the method of their receipt and consists of two main elements: purchasing cost, transport and procurement costs [5, 8, 12]. The purchase price is specified in the contract for the purchase of this product. Transportation and procurement expenses include the costs of transportation, delivery and storage of material in a warehouse, as well as Commission fees to intermediary firms. Stocks can be received by a construction company in various ways: under contracts, for a fee from suppliers; on a free basis; included in the contribution to the authorized capital and manufactured in-house. In construction, the accounting of material and production stocks occupies an important place, as they are the main element of the cost of construction products. There is reason to believe that material and production stocks, under the influence of labor and labor items during the production process, are transferred to finished products. Since they are involved in the same production cycle, their cost is transferred to the cost of the newly created product. The lack of classification of materials in PBU 5/01 may become one of the problems of accounting for assets, namely their regulatory regulation as commercial equipment. The trade inventory used in practice is most often taken into account according to the nomenclature formed at the enterprise. It should be emphasized that the inventory purchased for use fits the concept of inventory and is considered in this category [6, 13]. The solution to this problem may be to consider the criteria in paragraph 4 of PBU 6/01 "Fixed assets", in which an asset is accepted for accounting as a fixed asset. The main distinguishing feature of what type of asset in accounting to include these goods will be the cost limit. It follows that assets accepted for accounting within the limit, but no more than 40,000 rubles per unit, are reflected in the accounting and reporting as part of the MPZ. Proper inventory accounting is necessary to create complete reliable information and ensure proper control over their movement and availability [14, 15].

4. Conclusion

Closely linked to this is having a successful construction supply chain strategy, which will start well before construction commences and have cooperation and

competition at its heart. It engages stakeholders, and ultimately, it is predictable and forward-looking. In recent years, we have seen a growing trend for the infrastructure sector to turn to other industries such as high tech, manufacturing and retail to look at what informs successful supply chain management in construction. Despite the differences between these sectors, there are many tools and techniques that infrastructure can adopt or are surprisingly already similar. Based on the conducted research, it can be concluded that the assets of construction organizations are one of the important economic categories that determine the direction of development of the business entity. Inventory and other types of assets that are found in the organization make the process of managing them more complex, since to achieve the best result, you need to take into account all the specific qualities and characteristics of assets.

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