

**ADJUSTMENT OF ECONOMIC RESULTS OF A COMPANY TAKING INTO ACCOUNT  
ECONOMIC DEPRECIATION OF FIXED CAPITAL INVESTMENT**

*S. P. Lobov, Ph.D., Ass. Prof., State higher educational institution*

*«Kryvyi Rih National University»*

**Research methodology.** The results are obtained through the application of the dialectical method, the method of system analysis and synthesis in the study and compilation of existing concepts for the evaluation of the economic results of the enterprises, as well as modern theoretical approaches to the determination of depreciation of investments in fixed assets mining-and-processing integrated works, methods of factor analysis in the study of factors changing the value of the stock of equity capital mining and processing plants.

**Results.** A critical analysis of current approaches to assessing the economic performance of enterprises is presented. The necessity of accounting for depreciation in assessing the effectiveness of investment activity is justified. It is proved that when assessing the economic results of the activity of Krivbass mining and processing plants it should be taken into account that the entire amount of depreciation is reinvested, which leads to an increase in the value of invested capital. It is established that the level of depreciation of Krivbass mining and processing plants depends on the volume of production, so production depreciation method can more accurately determine their residual value.

The influence of the level of economic depreciation on the performance of the enterprise associated with the change in financial condition is analysed. It is established that the use of accounting depreciation for valuation of fixed assets artificially underestimates the financial condition of the company at the beginning of the life cycle of the investment project and overestimates in the end.

**Novelty.** Methodological approaches to the definition of economic depreciation of fixed assets on the basis of production method based on the value of reinvested capital are improved.

**Practical value.** The developed approaches can be used by owners and management companies to assess the residual value of fixed assets, economic performance and financial condition. The proposed method of economic results estimation allows a more objective analysis of the dynamics of economic performance in each year of the life cycle of the investment project.

The ways of improving the assessment of economic performance of enterprises is suggested on the basis of the adjustment to economic and cash value added to the value of economic depreciation. The technique of definition of economic depreciation by production method is

developed taking into account the possibility of depreciation reinvestment. The effect of economic depreciation on the amount of equity is determined.

**Keywords:** economic performance, financial condition, depreciation, economic value added, cash value added, equity capital, depreciation reinvestment.

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