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MANAGE-MANAGEMENT OF AGRICULTURAL COMPANY THROUGH MONITORING OF TOTAL COST OF MAINTENANCE TRACTOR

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Abstract: The development of enterprises should be viewed through the level built his own style of organization and management. Management has an obligation to build a system of internal control within the regular and continuous operations. This company would have a higher degree of security in their work and operated to with as little real risk. It has long been sought for the way in which management will better control the company managed. In this paper, the basic setting is to be based on research and data presented show the importance of monitoring the overall maintenance costs of the tractor (through monitoring labor costs on maintenance of tractors and spare parts *ISTIK* giving a total value of maintenance costs) and the value that is in the business records of companies, or book value. The aim of this study was to highlight the importance of showing the total cost of maintenance of the tractor as part of the functioning of the company and any future management decisions.

Keywords: *maintenance of tractors, book value, management.*

INTRODUCTION

Total business enterprise accompanied by a constant spending company resources, assets and labor of the workers. The goal of economics is to create value with rational spending. Tracking spending is a large area of the economy which must be approved by the company's management if it is to achieve positive results.

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To increase safety in their work management resorted to different methods of control. Depending on the desired level of system security, enterprise size and other criteria, a number of companies formed and internal audit, as a separate entity [1]. Internal control in most enterprises is built into the control function of the company. According to *COSO* (Committee of Sponsoring Organizations of the Tread way Commission) internal control is inherent in the way management runs the business [2]. Personnel must be trained and continuously trained, to all operations in the course of the current work processes performed in the manner prescribed in [3]. At the same time, the system of internal control system is the most important and most applied form of internal control. Solution of internal control is an integral part of risk management, and built-in management structure covering all areas of business enterprise [4].

Internal control is a process that is framed by the decisions of the Supervisory Board of the company, or management in order to obtain a reasonable belief on the achievement of objectives in the following areas: improving the efficiency of decision-making by management, increasing the reliability of financial reporting, preservation compliance with applicable laws and regulations and the protection of property [5]. New standards of internal audit control is defined as any activity undertaken by management, the Board or other persons in order to improve risk management and to increase the likelihood that the planned objectives achieved [6].

Management companies must consider and gain a true picture, especially on human resources at its disposal, which are the level of education, which are specialized and educational courses completed, they have a recognized national certification, and international certifications related to control functions in the company. After the first phase, followed by analysis of the other, and it refers to the cost of establishing internal controls, or the amount of the costs mentioned controls. In addition, must take into account and about:

- What do we want to achieve?
- How do you intend to achieve?
- What resources will except as to have available (its operating plans) and
- How successful runs in comparison with the plan [7].

Risk can be defined as the volatility of unexpected outcomes in value of assets or liabilities of interest [8]. Some authors point out that it is a known fact that inexperience and lack of qualifications of the employees have a major impact on the occurrence of errors and the same recommend revision of agricultural enterprises [9, 10]. Companies can use to engage other experts to financially reports had as large a dose of objectivity [11, 12]. At the end of the analysis elements of internal control, it should be noted that a company which does not have an effective program of successive planning probably will not have an effective development process. Professionalization of work, breaks autarchy production companies and affect the connection to the global society [13].

In addition, many authors emphasize the importance of harmonization and implementation of international accounting standards in all economic sectors, as well as the importance of establishing internal control in enterprises [14,15,16].

The above-mentioned approaches to internal control factors are the framework for the regulation of behavior within the company. A large number of agricultural enterprises should continuously monitor the costs, in order to be able to maximum profit. One way of monitoring the direct costs of the monitoring and maintenance costs. In this paper the authors present the fundamentals that are relevant to the average reader to

understand the significance of the actual cost of maintenance of tractors and their continuous monitoring and analysis of the management.

MATERIAL AND METHODS

The survey was conducted in mid-2014, the specific Services Enterprise, whose name is not explicitly stated. It is a public utility company that is registered for public utility services, the second largest city in Serbia. It mainly performs tasks in the domain of agricultural activity. Essential tasks performed are related to the greening of green spaces, planting plants required by the founders, seedling plant material and other activities.

In their daily work uses a large number of working machines. There are very heterogeneous resources for the work. Uses a variety of tractors by power, age, once the word means are not uniform. This makes it difficult to monitor and enactment unique findings related to the technique with one hand.

Another important factor is that the company itself does not have a developed system of internal control functions. This clearly shows that the company does not ma procedures clear financial records of monitoring costs. This paper presents the views that refer to the actual recording and monitoring costs in a public company. Data were used to actually show the real state of public records enterprise. Shown raw data were systematized in a tabular format and show the real state primarily for monitoring maintenance costs of three different tractor by age, strength and opportunities for the use of shutters conditions. It is important to note that the company does not exist prescribed internal controls that reduce the risk to the business.

RESULTS AND DISCUSSION

The significance of this study is to show the proper way to establishing written procedures, facilitates the management of monitoring essential elements of fixed assets. In addition to technical performance, management must take into account that the production performed by the company to be monitored and analyzed continuously. But has the more methods, and this work is presented a practical application production monitoring with reporting to management. In Tab. 1 and 2, the authors gave processed real data in a tabular format the actual costs of maintaining the said tractor, giving the years of exploitation, as well as the carrying value by which a tractor every individual in the company.

In this paper clearly presents in Tab. 3, from which we can see that the total maintenance tractors in the two years of observation such that approximately 2.4 times greater than the carrying value in the accounts.

Another conclusion can management learn from those displayed tables, especially Tab. 3, which is the value maintenance youngest of the tractor, which is given in the table three in the third row higher than its carrying value in the Company.

Without going into the need for further comments value of maintenance, it can be concluded that a high amount of maintenance of the tractor. The aim of such research and the presentation was to point out that management be informed of all views and

display and high costs of maintenance of the tractor. On the basis of these regular reports can make decisions such as: buying a new tractor, sale of existing entry in the repair and others. In Tab. 3 the authors present their total maintenance costs for a period of two years of observation.

Table 1. Total costs of maintaining the selected tractor in 2012th

<i>N o</i>	<i>Name of equipment</i>	<i>Total maintenance costs in 2012</i>	<i>First purchase and introduction of the business records</i>	<i>In operation of the tractor</i>	<i>Book value as on 31.12.2012</i>
1	<i>Tractor Tomo Vinkovic</i>	222.680,62	1997.	15	0.00
2	<i>Tractor TT 830 SA</i>	150.609,39	2005.	7	0.00
3	<i>Ecotraktor 21-communal</i>	230.263,50	2012.	1	605.031,46

Table 2. Total costs of maintaining the selected tractor in 2013th

<i>No</i>	<i>Name of equipment</i>	<i>Total maintenance costs in 2012</i>	<i>First purchase and introduction of the business records</i>	<i>In operation of the tractor</i>	<i>Book value as on 31.12.2012</i>
1	<i>Tractor Tomo Vinkovic</i>	56.645,65	02.12.1997	16	0.00
2	<i>Tractor TT 830 SA</i>	250.346,98	25.07.2005	8	0.00
3	<i>Ecotraktor 21-communal</i>	300.757,61	24.12.2012	2	504.192,88

Table 3. Total costs of maintaining the selected tractor for the period 2012-2013

<i>No.</i>	<i>Name of equipment</i>	<i>Total maintenance costs in 2012-213</i>	<i>Book value as on 31.12.2013.</i>
1	<i>Tractor Tomo Vinkovic</i>	279.326,27	0.00
2	<i>Tractor TT 830 SA</i>	400.956,37	0.00
3	<i>Ecotraktor 21-communal</i>	531.021,11	504.192,88
<i>Total</i>		1.211.303,75	504.192,88

Management companies should introduce an internal control in the company in which performs the function of management, with the aim to increase the safety of the operation of the enterprise. The research points to the importance mainly to introduce procedures. The aim of all activities should be reducing risk and creating the conditions for which safer operations.

CONCLUSIONS

Based on the research it can be concluded that firms that do not have internal control, it is necessary to provide the conditions for the prompt implementation of the same. In particular the company does not have an internal control. Thus, there is a significant risk attached to properly track the cost of maintaining the tractor used in the

operation. The study was conducted in a specific enterprise and application of research can be applied in a large number of medium and large enterprises, especially in the field of agriculture. Management after these studies, should be a familiar with the facts of the risk is primarily in the area of record keeping maintenance costs of tractors, but also with other risk to be able to take measures to eliminate risk situations.

The aim of this study was to show the importance of the introduction of control in managing the costs of maintaining tractors, primarily in terms of increased security management function of the company.

In order to realistically eliminate the risks associated with timely information management in enterprises is necessary to adopt measures that will be introduced in the shortest period of internal controls and procedures that will affect the reduction of the above risks. If that happens, the company in the short term lapses into a real problem, especially if there is a drastic increase in the cost of maintenance of the tractor. Already during the presentation clearly shows the true picture of what the costs are and how many are greater than the carrying value of the tractor that the company uses in its work. This work and the practical points to the importance of introducing control mechanisms in the management of maintenance costs, especially in the monitoring of maintenance costs on older equipment in service.

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UPRAVLJANJE MENADŽMENTA POLJOPRIVREDNOG PREDUZEĆA PREKO PRAĆENJA UKUPNIH TROŠKOVA ODRŽAVANJA TRAKTORA

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Sažetak: Razvoj preduzeća treba posmatrati preko stepena izgrađenog sopstvenog stila organizacije i upravljanja. Menadžment ima obavezu da izgradi sistem internih kontrola u okviru redovnog i kontinuiranog poslovanja. Time bi preduzeće imalo veći stepen sigurnosti u svom radu, odnosno poslovalo bi uz što manje realnog rizika. Dugo se tragalalo za načinom na koji će menadžment bolje kontrolisati preduzeće kojim upravlja. U ovom radu osnovna postavka je da se na osnovu istraživanja i prezentovanih podataka prikaže značaj praćenja ukupnih troškova održavanja traktora (preko praćenja troškova rada radnika na održavanju traktora i rezervnih delova istih koji daju ukupnu vrednost troškova održavanja) i vrednosti koja je u poslovnim knjigama preduzeća, odnosno knjigovodstvene vrednosti. Cilj ovog rada je bio da ukaže na značaj prikazivanja ukupnih troškova održavanja traktora u sklopu funkcionisanja preduzeća i eventualnih budućih odluka menadžmenta.

Ključne reči: troškovi održavanja traktora, knjigovodstvena vrednost, upravljanje

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