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TECHNICAL CONDITION OF FIXED ASSETS ANALYSIS

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Abstract: Fixed assets are in continuous use. Because of this, some of the fixed assets become obsolete, fail, and others are put into use. Consequently, the technical condition of fixed assets has a significant impact on the execution of the product production plan. If the technical condition of the main means is at a satisfactory level, this, in turn, is unlikely to lead to the idleness of equipment and machines, and sometimes to accidents (destruction). Therefore, the main means should be in a technically well-adjusted state. Maintenance of fixed assets at a technically satisfactory level is carried out through current and capital repairs.

Keywords: fixed assets, renewal ratio, compensation coefficients.

Introduction

The technical condition of fixed assets is their wear rate. To determine the coefficient of depreciation of fixed assets, the amount of depreciation of fixed assets (section 1 of the high liability) is divided by their initial value (section 1 of the balance sheet asset). Usually, a decrease in the depreciation rate of fixed assets indicates an improvement in their technical condition. As a result of continuous use of fixed assets, their level of wear and tear increases. Therefore, the basic tools need to be updated.

To determine the fixed asset renewal ratio, the sum of new fixed assets must be divided by the value of fixed assets at the end of the year.

In order to calculate the coefficient of departure of fixed assets, it is necessary to divide the sum of outgoing fixed assets by their value at the end of the year.

Fixed asset availability ratio can also be determined. To determine it, the depreciation coefficient is subtracted from one.

of fixed assets, additional growth and outflow compensation coefficients of fixed assets are also determined.

To determine the additional growth rate of fixed assets, it is necessary to divide the value of new fixed assets by the amount of total fixed assets. To find the replacement value of fixed assets, the replacement ratio is determined by dividing the value of the fixed assets retired by the value of the new fixed assets.

Main part

It is known that separate fixed assets perform different work in the production process and they differ greatly from each other in terms of service life. Therefore, the above-mentioned indicators should be determined not only by the total amount of fixed assets, but also by their active and passive parts and individual types. Indicators of renewal, withdrawal, additional growth and replacement of fixed assets are inextricably linked. To show this relationship, we recommend making Table 1 below.

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1 – Table

Analysis of wear and tear of fixed assets

No	Indicators	Unit of measure	At the beginning of the year	At the end of the year	Change (+,-)
1.	Initial cost of fixed assets	A thousand soums	39248	40775	+1527
2.	Depreciation amount of fixed assets	A thousand soums	9317	11008	+1691
3.	Residual value of fixed assets (line 1 - line 2)	A thousand soums	29931	29767	-164
4.	Depreciation coefficient of fixed assets (2nd layer: 1 layer x 100)	Coef.	23.7	27.0	+3.3
5.	Fixed asset adequacy ratio Line 3: Line 1 x100	Coef.	76.3	73.0	-3.3

As can be seen from this table, the level of indicators representing the movement of fixed assets in the analyzed enterprise cannot be considered high. For example, renewal of the total fixed assets was only 6.3 percent, including bringing new labor equipment to 4.4 percent. At this point, it should be noted that the process of updating machinery and equipment, which is an active part of fixed assets, is progressing at a slightly higher level. Indicators representing the level of technical renewal of fixed assets are determined by compensating for fixed assets and applying their additional growth factors. If these coefficients exceed one or more than 100 percent, then we can conclude that the renewal of fixed assets is being carried out intensively, and on the contrary, if the coefficients are less than one (less than 100 percent), then it means that the process of updating fixed assets is being carried out extensively.

In our example, the highest level of the replacement rate of fixed assets belongs to the total fixed assets of industrial production and made 59.8 percent. However, for machinery and equipment, this level was 39.2 percent. There is a correlation between the rate of depreciation of fixed assets and the rate of serviceability.

The figures given in this table , almost a quarter of the fixed assets are amortized, that is, it is understood that the value of the obsolete part of the fixed assets is included as a depreciation allowance. The adequacy ratio of fixed assets is sufficient. Consequently, this, in turn, provides an opportunity for the enterprise to successfully implement the product production plan. And finally, one of the important indicators representing the technical level of fixed assets is the service age (period) of the equipment. Determining this indicator provides an opportunity to improve the performance of equipment and machines, their replacement , and, ultimately, the efficiency of fixed assets. For analysis, equipment in operation is grouped by specific types, and then their actual service life is compared with the standard service life. Usually, it is considered that the equipment can meet the requirements of technical progress if it is replaced in a period of up to 10 years.

Service life of the equipment is described as follows:

up to 5 years: from 5 to 10 years; From 10 years to 20 years and above 20 years. In the analysis, the average service age (period) of the equipment is also determined. To determine it, we refer to the table below.

2 – Table

Distribution of equipment according to service life

(Thousand soums)

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Indicators	Period of service				
	up to 5 years	5 to 10 years	From 10 to 20 years	More than 20 years	Total
Total equipment	3280	3100	3600	4000	13980
As a percentage of the total	23.5	22.2	25.8	28.6	100

this table , we determine the average service life of the equipment in motion. To calculate this, we use the simple average arithmetic method, that is (0 + 5):2 = 2.5 years; (5+10):2 =7.5 years; (10 + 20):2 = 15 years; 20 years above 20 years. After that, the average service life of the equipment is determined, that is: (2.5 x 0.235 + 7.5 x 0.222 + 15.0 x 0.258 + 20 x 0.286) = 11.8 years. Thus, the indicator of the average service life of the equipment represents the technical level of the equipment park and their moral wear.

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