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## **PROBLEMS AND FACTORS INFLUENCING THE ORGANIZATIONAL FORMATION AND USE OF FIXED ASSETS**

***Annotation:** The article examines the impact of China's rapid economic development on the efficiency of fixed asset management in enterprises and institutions. It is noted that the increase in the proportion of fixed assets is directly related to economic benefits and competitiveness. Despite the successes achieved in management, many urgent problems remain. The factors affecting the formation and use of fixed assets are divided into several groups.*

***Keywords:** fixed assets, accounting, methodology, influence, efficiency, factors.*

The relatively rapid development of China's economy has led to the increase in the proportion of fixed assets in enterprises and institutions. The management efficiency and accuracy of fixed assets directly affect the economic benefits and core competitiveness of enterprises. Chinese enterprises and government agencies have achieved some success in fixed asset management in recent years, but there are still some urgent problems that managers need to solve [1].

The formation and use efficiency of organizational fixed assets in China are affected by many factors. These factors can be divided into several

groups. The first group should include policy and regulatory factors:

- tax policy has a significant impact on the investment decisions of enterprises' fixed assets. In recent years, the Chinese government has increased the tax incentives for enterprises to invest in fixed assets, such as increasing the depreciation rate of fixed assets and expanding the scope of additional deductions for research and development expenses;

- government investment plays a guiding role in the formation of fixed assets of the organization. In recent years, the Chinese government has increased investment in infrastructure, scientific and technological innovation and other fields, which has driven the growth of fixed assets in related industries.

The second group is economic factors:

- financing cost has a direct impact on the fixed asset investment of enterprises. In recent years, the reform of China's financial system has been deepened, and the financing environment for enterprises has been improved. However, some enterprises still face the problem of difficult and expensive financing;

- market demand is the key factor affecting the formation of fixed assets of enterprises. Under the current economic situation in China, the market demand in some industries is insufficient, leading to the weakening of enterprises' willingness to invest.

The next group consists of technological and innovative factors, among which we can highlight:

- technological progress plays an important role in the formation of fixed assets. With the improvement of China's scientific and technological innovation ability, enterprises have increased their investment in research and development to promote the replacement of fixed assets;

- the development of digital and intelligent technology has changed the demand for fixed assets of enterprises. On the one hand, the enterprise needs

to invest more money in the purchase of intelligent equipment; on the other hand, the depreciation speed of the fixed assets is accelerated, and the enterprise needs to constantly update the fixed assets to adapt to the technological change.

And finally, the last group includes management factors:

– internal management – the level of internal management has an important impact on the use efficiency of fixed assets. Some enterprises have problems such as idle fixed assets and repeated investment, resulting in low efficiency of the use of fixed assets;

– lack of attention to fixed assets management. With the continuous development of China's economy, enterprises and units are also growing continuously. As an important asset management unit, fixed asset management should be an important part of the management of enterprises. However, the actual situation shows that there is a problem of insufficient attention to fixed assets management in the management of fixed assets of enterprises. First of all, enterprises pay less attention to the management of fixed assets. In daily work, enterprises mainly focus on short-term benefits, but ignore the importance of long-term investment value of fixed assets;

– imperfect management system of fixed assets. First of all, the fixed asset management system has blind spots and loopholes. Due to the lack of the system, some important management links can't be effectively guaranteed, such as the management of fixed assets procurement, acceptance, accounting, depreciation and other processes. At the same time, the system is inconsistent with the actual operation, which brings some difficulties and risks to the management of fixed assets; In equipment management, the lack of perfect equipment file management system leads to the insufficient extension of the service life of equipment;

– the supervision mechanism of fixed assets management. Some enterprises have not established a perfect supervision mechanism for fixed

assets. There are blind spots in the management of fixed assets. Many enterprises regard the management of fixed assets as a secondary work, and have not established a corresponding management system, leading to the accurate measurement and management of fixed assets is difficult to achieve standardization and standardization;

– low utilization rate of fixed assets. In the management of fixed assets of enterprises, the low utilization rate of fixed assets is a relatively common problem. It is often said here that enterprises lack of scientificity and practicality when purchasing fixed assets;

– corporate strategy plays a guiding role in the formation and use of fixed assets. Some enterprises failed to adjust their strategies in time according to market changes, resulting in mistakes in fixed asset investment. For example, some enterprises overinvest in real estate, leading to a tight capital chain and affecting the development of their main business [2].

To sum up, the problems and factors affecting the formation and use of organizational fixed assets in China involve many aspects. In order to improve the efficiency of the use of fixed assets, enterprises should actively respond to various challenges, optimize management, and increase innovation to adapt to the new situation of economic development.

## References

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