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## **MAIN MACROECONOMIC FACTORS OF CHANGES IN BUDGET REVENUES IN MODERN CONDITIONS**

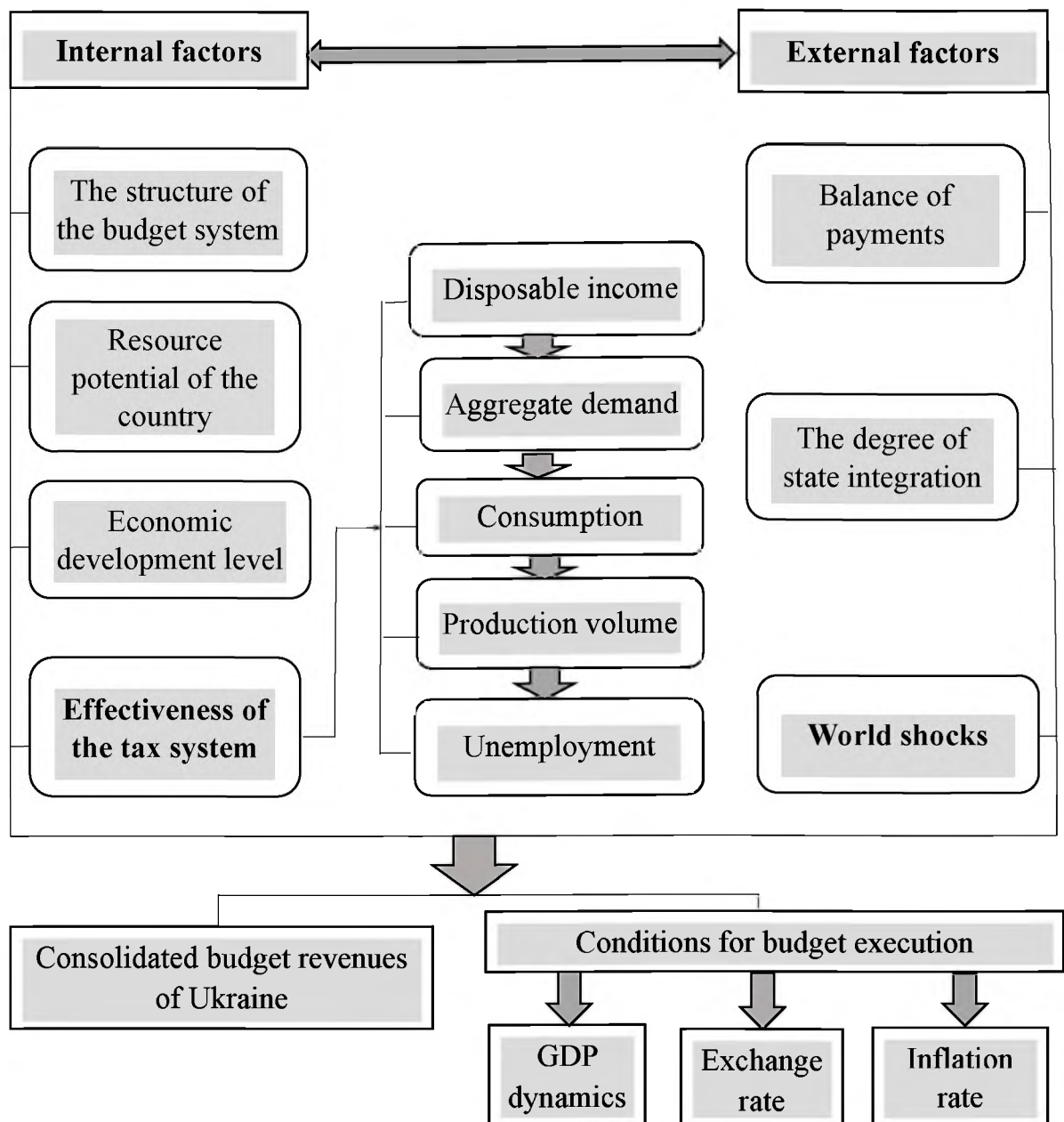
The formation of budget revenues in Ukraine is the most important component of the entire process of managing the budgetary system.

According to the Budget Code, budget revenues are understood as tax, non-tax and other revenues on a non-refundable basis, the collection of which is provided for by the legislation of Ukraine (including transfers, fees for the provision of administrative services, own revenues of budgetary institutions) [1].

The instability of the economic environment leads to the need for a more detailed and in-depth study of the processes taking place in the framework of budget revenue management.

The country's development largely depends on the extent to which the results of budget execution in terms of revenues will correspond to planned indicators. An increase in the volume of financial resources leads to a cumulative growth in the income of all economic entities and an increase in business activity in the country as a whole. Therefore, in modern conditions, along with the optimization of budget expenditures, more and more attention is paid to the problems of forming the revenue side of the consolidated budget.

The most important factors affecting the volume of state budget revenues and creating conditions for their implementation, first of all, can be divided into internal and external (Figure 1).



**Figure 1. The impact of macroeconomic factors on the budget revenues**

Internal factors include the following:

1) The structure of the budgetary system. The budgetary system of Ukraine consists of two levels - the state budget and local budgets. Therefore, the filling of the revenue side of the consolidated budget depends on the system of relations between the state and individual administrative-territorial units on the basis of the separation of powers.

2) Resource potential of the country (number and level of qualifications of the population, availability of natural resources, etc.). The source of filling the budget

revenues is income from the use of natural resources. This makes it possible to reduce the cost of purchasing them for domestic consumption and to receive income from their export.

3) The level of economic development of the country - the higher the level of profitability of business entities, the more taxes are paid to the budget. This also leads to a decrease in government spending to support unprofitable sectors of the economy. Also, the level of development of the real sector of the economy is characterized by the rates of industrial production and retail trade turnover, as well as the growth of indicators of the standard of living of the population.

4) The efficiency of the country's tax system. It is ensured by the implementation of an effective tax policy, does not create excessive tax pressure on the population and business entities and without losing its stimulating function, leads to an increase in tax revenues to the state budget.

External factors that affect the volume of state budget revenues include the following:

1) The state of the country's balance of payments. A country's positive balance of payments indicates an inflow of capital into the country. And vice versa - a negative balance of payments indicates an outflow of capital from the country, which ultimately leads to the problem of servicing public debt and an increase in the state budget deficit. In turn, the state of the balance of payments is influenced by the ratio of the volumes of export and import operations carried out by economic entities of the country;

2) The degree of integration of the state into the world financial system. This enables the country to quickly and without significant losses adapt to negative trends in the world economy, as well as reduce their impact on the economic situation in the country on the amount of budget revenues;

3) World shocks. When the economies of almost all countries of the world are under the influence of global shocks. Such shocks include the global crisis caused by the novel coronavirus pandemic.

The listed factors affect the main macroeconomic indicators, the predicted values of which are taken into account when determining the volume of the country's

budget revenues for the corresponding year - GDP, inflation rate, national currency exchange rate. Thus, the listed factors, providing a certain level of these macroeconomic indicators, create conditions for budget execution.

Among the factors identified, the most important in modern conditions and those that have the maximum impact on the formation of the revenue side of the country's budget is the optimization of tax policy and the global shock caused by the pandemic. Therefore, it is important to form a tax system that not only optimizes the tax burden and stimulates the activities of all economic entities, but also can quickly adapt to macroeconomic shocks.

The analysis shows that the trends observed in the fiscal sphere correspond to economic processes under quarantine conditions and confirm the need to overcome the negative consequences of the financial and economic crisis caused by the pandemic.

This situation ultimately requires the implementation of a whole range of measures aimed at ensuring an adequate level of tax revenues to the state budget, in the conditions of quarantine, significantly decreased, which is caused by a decrease in the productivity of production and economic activities of the most important taxpayers.

The formation of the revenue side of the budget is carried out taking into account the peculiarities of the development of the country's economy and the determination of the most important directions of strategic development. The main measures to strengthen the revenue base of the country's budget can be:

- planning the implementation of the budget revenues, taking into account the unpredictability of the development of the economic situation in the country and the impact of external macroeconomic shocks on budget formation, through the formation and constant replenishment of the stabilization fund;
- liberalization of the conditions for economic activity;
- ensuring the optimal ratio of direct and indirect taxes in the process of forming budget revenues;
- tax incentives for certain areas of activity;
- improvement of the tax administration system.

The implementation of measures to increase the revenue side of the state budget, taking into account both external and internal factors affecting its formation, in turn, will help improve the macroeconomic indicators of the country's development.

Given the potential for analyzing the cumulative impact of these factors on government revenues, it is advisable to consider the formation of the revenue side of the budget of Ukraine in terms of tax revenues in the context of a pandemic in order to formulate unified recommendations for increasing it.

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## **MODELING PRICE, SUPPLY AND DEMAND BY USING SYSTEM DYNAMICS**

Supply and demand, in economics, relationship between the quantity of a commodity that producers wish to sell at various prices and the quantity that consumers wish to buy. It is the main model of price determination used in economic theory. With demand indicated by a downward sloping demand curve and supply represented by an upward sloping supply curve, then equilibrium in this market is where demand equals supply.

In the model Price depends on: price change, price change rate and indicated price. The *price change rate* is supposed to be a measure of how quickly demand and