Olha Leha
Poltava State Agrarian University
ORCID ID: https://orcid.org/0000-0002-0989-8000

Tetiana Pryydak
Poltava State Agrarian University
ORCID ID: https://orcid.org/0000-0002-9257-0419

Liudmyla Yaloveha
Poltava State Agrarian University
ORCID ID: https://orcid.org/0000-0002-5351-545X

PRICE FORMATION AND PAYMENT MECHANISMS IN SUPPLY CONTRACTS BETWEEN BUSINESS ENTITIES

The effectiveness of the economic activity of enterprises largely depends on the proper contractual regulation of the supply of goods, within which one of the key elements is the formation of prices and the definition of payment mechanisms. It is on the method of determining the cost of goods, the conditions for its revision, the procedure for making payments and the distribution of financial risks that the stability of contractual relations, the timeliness of the fulfillment of obligations and the financial security of the parties depend.

The relevance of the study is determined by the need to improve the contractual regulation of business relations between business entities under conditions of market instability, increasing price risks, and the widespread adoption of flexible models of commercial cooperation. One of the key elements of a supply contract is the pricing mechanism, which determines the financial terms of contractual performance, payment procedures, the possibility of adapting contractual provisions to changes in the economic environment, and the allocation of risks between the contracting parties. The purpose of the study is to generalize approaches to price formation in supply contracts between business entities, analyze the mechanisms for determining the value of goods, payment procedures, and price revision, and develop a conceptual model of their interrelationship. The study employed methods of analysis and synthesis, systematization and classification to generalize pricing models, the comparative method to evaluate the features of contractual provisions, the structural-logical method to develop a conceptual model of price formation, and content analysis in examining 20 actual supply contracts concluded between enterprises operating in different sectors of economic activity. The findings systematize price formation models according to the main classification criteria, identify the prevalence of various mechanisms for determining the value of goods, payment procedures, and price revision in contractual practice, and summarize the advantages, risks, and fields of application of individual pricing models. The results indicate that flexible pricing mechanisms based on specifications, invoices, and other supporting documents prevail in business practice, while price

revision by mutual agreement of the parties remains the principal mechanism for adapting contractual terms to changes in the economic environment. The proposed conceptual model reflects the interrelationship between pricing methods, payment mechanisms, and price revision procedures and can be used by enterprises in drafting contractual provisions, improving contract management systems, minimizing financial risks, and enhancing the efficiency of business relations.

Keywords: pricing; business legal relations; commercial terms; financial risks; payment terms; contractual practice; specifications; post-payment; commercial settlements; contract management.