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CONTENT

ECONOMY

Chorny O. DEMAND FOR THE INTERDISCIPLINARY COURSES THAT CONTAIN ECONOMIC KNOWLEDGE: CASE OF UKRAINE.....	3	Tomchuk O., Tomchuk V. FINANCIAL STABILITY ANALYSIS IN MODERN CONDITIONS AS A MECHANISM OF EFFECTIVE FUNCTIONING OF THE ENTERPRISE	42
Pravdiuk M. PROBLEMS OF LEGAL REGULATION OF VIRTUAL ASSETS IN UKRAINE	8	Ustik T. STRATEGIC MANAGEMENT OF MARKETING AND SALES ACTIVITIES OF AGRICULTURAL ENTERPRISES..	52
Prylutskyi A. PROBLEMS AND PROSPECTS OF SECURITIES MARKET DEVELOPMENT IN UKRAINE.....	14	Chechet A., Maliarenko Y. PROJECT APPROACH OF INNOVATIVE DEVELOPMENT MANAGEMENT OF THE TOURIST INDUSTRY USING BUSES WITH ALTERNATIVE SOURCES OF ENERGY	55
Stepanenko S., Shpetnyi D. DIRECTIONS OF THE BANK EQUITY MANAGEMENT..	21	Mirzayeva A. MEDICAL FORMALITIES IN TOURISM	59
Tomashuk I. FEATURES OF FORMATION AND USE OF INNOVATIVE POTENTIAL OF RURAL TERRITORIES OF UKRAINE	27		

STATE AND LAW

Budarna V. COMERCIAL POSITIONS ON IMPROVEMENT OF LEGISLATION IN THE FIELD OF INVESTMENT SUPPORT OF UKRAINE'S ECONOMY.....	63	Zadykhailo D., Rudyk A. COMPARATIVE ANALYSIS OF LEGAL SUPPORT OF THE FUNCTIONING OF THE GREEN ECONOMY IN FOREIGN COUNTRIES	71
Dorofyeyev O., Aranchii A., Stetsenko M., Kuzmenko A., Kraievskyi H. FORMATION OF A MODERN LEADER MODEL IN PUBLIC ADMINISTRATION	67	Torbis O. CONDUCTING INVESTIGATIVE ACTIONS BY OPERATIONAL UNITS IN THE CRIMINAL PROCESS OF UKRAINE	75

ekonomik na suchasnomu etapi hlobalnoho rozvytku. Vcheni zapysky Tavriiskoho natsionalnoho univerzitetu im. V.I. Vernadskoho. Serii: Ekonomika i upravlinnia. 2019. №1. Tom 30 (69). S. 78-83

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FINANCIAL STABILITY ANALYSIS IN MODERN CONDITIONS AS A MECHANISM OF EFFECTIVE FUNCTIONING OF THE ENTERPRISE

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Abstract

The article examines the conceptual model of financial stability analysis, which includes the purpose of financial stability analysis, its tasks, subjects, objects, principles, as well as methodological tools. Users of the financial stability analysis by the type of interest and sphere of economic interest and approaches to the assessment of financial stability of the enterprise are defined, in particular, coefficient, point, margin, balance, integral, factor, matrix ones. The stages and methods of the process of optimizing the capital structure of the enterprise are substantiated. The levels of financial stability including high, standard and low are structured in the form of a matrix. Indicators of financial stability by coefficient, aggregate and integrated approaches are analyzed. The stock of financial stability of the investigated enterprise is calculated. The approaches of strengthening of the financial stability are identified.

Keywords: financial stability, users of analysis, approaches to assessing financial stability, margin of financial stability, approaches of improvement.

Raising of problem. In the process of functioning, every enterprise must save not only firmness of the position but also balance internal possibilities with the influence of the external environment for the achievement of the state of new quality which will enable to develop. Far of existent threats and risks at forming of steady development and effective functioning of any enterprise, requires the improvement of present and development of new mechanisms of guaranteeing financial firmness on a microlevel. Consequently, this index is the basis of the economic development of enterprise inplane present and future financial possibilities during the realization of strategy. Financial firmness of enterprise (as a component dynamic system) is a determining complex index that adequately characterizes the attained financial parameters and determines the possible level of risk. The analysis of financial firmness of enterprise enables one to estimate the ability of the enterprise to adapt oneself to the terms of the external environment and define the degree of his independence from the outsourcings of financing.

Analysis of researches and publications. Implementation of foreground jobs of the select strategy of agricultural enterprises to a great extent depends on effective financial management through the implementation of different on maintenance analytical procedures for the establishment of the level of effectiveness of indexes of the financial state. The use of analytical procedures for assessing the financial stability of the enterprise is based on selected methods of analysis, which is performed with an array of relevant data of the accounting system.

Methodical tools for the analysis of financial stability of business entities have been studied in their works by such foreign and domestic economists as O. Vasiliev, B. Grabovetsky, S. Glivenko, V. Kovalev, M. Luchko, Yu. Miroshnichenko, G. Savitska, N. Sensebayeva, O. Tomchuk, I. Shkol'nik, and others.

This issue becomes especially relevant in modern conditions, which are characterized by negative trends in the national economy against the background of complex transformation processes, lack of effective customer demand, deterioration of payment discipline, and more.

Formulation of aims of the article. The aim of the article is to study the methodology and practice of analyzing the financial stability of agricultural enterprises in modern conditions as a mechanism for effective operation.

Exposition of basic material of research. Under conditions of macro-financial instability, the priority for domestic agricultural enterprises is to achieve an adequate level of financial stability, which would ensure the possibility of their further activity, maximizing the value of the business and strategic development. After all, the financial stability of an agricultural enterprise is one of the key characteristics of its financial condition and the most complex, multifaceted, and a concentrated indicator that demonstrates the degree of security of funds invested in the activities and development of the enterprise.

The orientation of agricultural enterprises to increase competitive advantages and ensure sustainable economic growth, in the long run, necessitates effective

management of financial stability on the basis of complexity and system. Because financial stability for an agricultural enterprise is one of the main conditions for achieving positive financial results, attractiveness for investors, and the ability to pay their debts and obligations on time.

As noted in our previous studies, the assessment of the financial stability of the enterprise involves the study of key parameters and ratios that objectively characterize its financial condition. The results of the analysis allow to identify existing problems and attract the attention of management or owners [1].

Substantiation of theoretical provisions of financial stability analysis, as well as a systematic approach

to its organization and implementation, is presented in the conceptual model of financial stability analysis, which includes the purpose of financial stability analysis, its tasks, subjects, objects, principles, and tools (Fig. 1).

As a method of scientific knowledge, financial analysis involves the study of the subject by highlighting its basic elements, which should provide a comprehensive study of the processes that determine the content and results of the financial and economic activities of agricultural enterprises. Therefore, the main content of the analysis of financial stability is determined by the study of the state and movement of financial resources

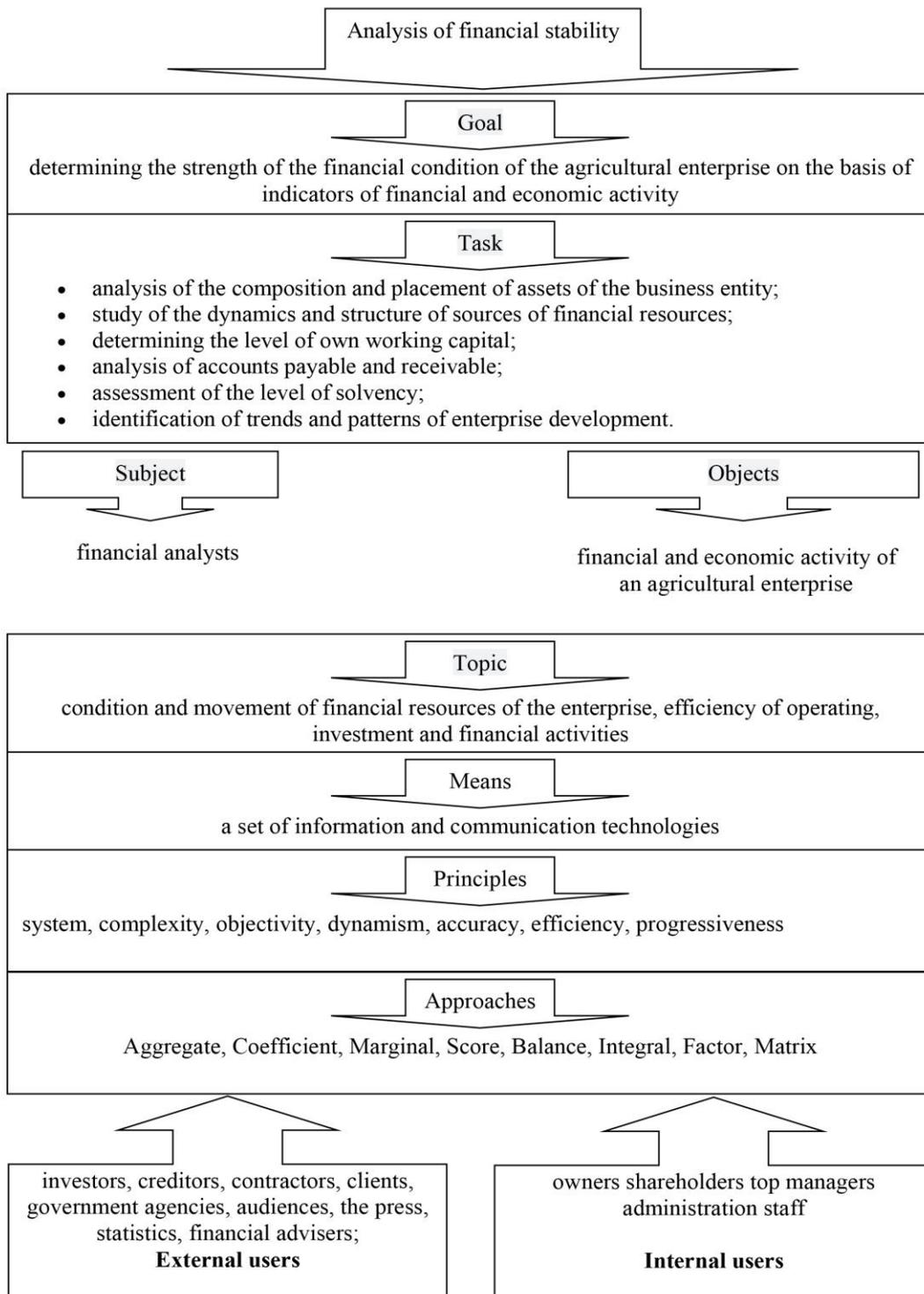


Figure 1. Model of financial stability analysis

Source: built by the authors on the basis of [2]

of the enterprise, the effectiveness of its operating, investment, and financial activities to determine the strength of the financial condition of agricultural enterprises on the basis of financial and economic performance.

The tasks set in accordance with the defined goal of financial stability analysis are carried out with an

emphasis on the economic interests of specific groups of stakeholders and a measure of depth that corresponds to the level of user requests for information management decisions. Table 1 presents the characteristics of users of the analysis of financial stability by type of interest and area of economic interest.

Table 1

The nature of the interest of different user groups in the results of the analysis of financial stability

Users of the analysis financial stability	Kind of interest	Sphere of economic interest
1	2	3
Shareholders and owners	direct financial interest	Assessment of financial stability and preparation of sound forecasts of financial stability
Investors	direct financial interest	Assessment of financial strength, liquidity, and solvency of the enterprise
Banks and creditors	direct financial interest	Solvency analysis, assessment of the efficiency of the use of borrowed capital
Managers and leaders enterprises	indirect financial interest	Development of strategic management measures agricultural enterprise based on the model of financial stability, crisis forecast modeling
Personnel enterprises	indirect financial interest	Assessment of financial stability of the enterprise as conditions for long-term employment
Customers, contractors	indirect financial interest	Assessment of liquidity of current liabilities, analysis of the state of repayment of receivables and payables
Statistical authorities	without financial interest	Formation of statistical generalizations and assessment of development trends of individual industries and regions
State institutions	indirect financial interest	Assess the accuracy of data on the tax base, repayment of liabilities to budget
Mass media, public organizations, Financial consultants	without financial interest	Assessment of development trends and analysis of financial stability of individual enterprises

Source: summarized by the author for [3, 4]

There are a number of methodological approaches to the analysis of financial stability, which meet the information needs of specific groups of users. Some researchers [3] propose to assess the financial stability of the enterprise based on the calculation of a system of absolute (generalizing) and relative (partial) indicators. Indicators that characterize the level of security of current assets of the enterprise sources of their formation are the absolute general indicators of its financial stability. Absolute indicators allow you to determine which sources of funds and to what extent are used to cover stocks. During economic activity at the enterprise, there is a constant movement inventory, through the use of own or borrowed funds, the level of which determines the optimal formation of these assets.

In many domestic studies, the assessment of the financial stability of the enterprise was based on the use of the coefficient method, which has a number of advantages for the operational analysis of the financial stability of the enterprise for financial decisions. At the same time, scientific substantiation requires the use of methods that are based on the application of an integrated approach that takes into account the influence of a number of factors on the level of financial stability with a functional and stochastic relationship.

At the same time, the characteristic of financial stability in the long run on the basis of calculation of absolute indicators gives only the general estimation. Most scholars [3, 5] are inclined to believe that the relative importance in assessing the financial stability of the enterprise belongs to the relative indicators. The corresponding analysis is carried out on the basis of calculation and comparison of coefficients with their normative values, and also a comparison of their change in dynamics. The degree of dependence of the enterprise on external investors and creditors is characterized by relative indicators of financial stability. The owners of the enterprise are interested in maximizing their own capital and minimizing borrowed funds in total financial sources. Lenders also assess financial stability based on the size of equity, its structure, from the standpoint of solvency and future financial stability.

Relative indicators of financial stability allow us to assess the degree of protection of investors and creditors, as they characterize the company's ability to timely pay its obligations to partners. I. Shkol'nik, I. Boyarko, O. Deineka, and others. [4] propose to calculate the integrated indicator of the financial stability of the enterprise. We support the opinion of the authors, who highlight the following approaches to assessing the financial stability of the enterprise: coefficient, point, margin, balance, integral, factor, matrix (table 2).

Table 2

Approaches to assessing the financial stability of the enterprise

The name of the approach	Essential content	The result of the assessment
1	2	3
Aggregate approach	analysis of absolute indicators financial stability	determining the type of financial stability
Coefficient approach	analysis of relative indicators financial stability and their comparison with regulatory values	determination of the real financial condition, weaknesses and strengths of the enterprise
Marginal approach	calculation of the break-even point by dividing the costs into fixed and variable and using the marginal revenue indicator	determining the margin of financial stability
Ball approach	adding liquidity ratios to the composition of indicators in the scoring of financial stability	determination of the class of financial stability
Balance approach	use of the balance model	assessment of financial stability based on the degree of coverage of inventories and fixed assets by sources of funding
Integral approach	the integrated assessment of the degree of financial stability using a generalized indicator of changes in financial stability	determining the degree of financial stability and detection of its dynamics
Factorial approach	financial stability, which includes building a chain of indicators and analyzing their growth rates	determining the rank of indicators that will form a conclusion about the financial condition of the enterprise
Matrix approach	compilation of matrix balances	calculation of the structure and determination of the quality of balance sheet assets and the adequacy of their sources of financing

Source: summarized by the author for [4]

The most common method of assessing the financial stability of the enterprise is the calculation of appropriate coefficients that characterize the capital structure (long-term sources) and the ability to maintain it. The following strengths of the coefficient method contributed to its wide distribution:

1. Compactness and conciseness - to implement this method it is enough to consider a small number of key relationships between reporting items;
2. Accessibility - no additional costs are required for its implementation, as the data are obtained from the accounting registers;
3. Universality - the involvement of relative indicators as evaluation criteria expands the scope of this method for enterprises in different sectors of the economy.

However, the coefficient method of assessing financial stability has a number of significant disadvantages:

1. Coefficient calculations allow to disclose, but not explain the improvement or deterioration of the financial condition of the enterprise, as they are calculated on the basis of the balance sheet, which reflects the property status of the enterprise at the beginning and end of the reporting period. All processes that occur between these dates are removed from consideration.
2. The calculated coefficients themselves carry a small content load and it is necessary to compare the values of the coefficients with similar values of "external" indicators (industry average or established standards)

The variety of financial ratios, ranges of their recommended levels, and different degrees of deviations from the actual values of their indicators necessitates a comprehensive assessment of the financial stability of the enterprise.

There are two groups of methods of comprehensive assessment:

- 1) without calculating a single integrated indicator (heuristic methods);
- 2) with the calculation of a single integrated indicator.

Based on research and summarizing different methodological approaches [6] to assess the financial stability of enterprises, we have identified four of them, which are identified as key:

- 1) calculation of the level of coverage as a part of current assets of enterprise sources of their formation (this summary measure is the excess or shortage of funding sources for building supplies, which is calculated as the difference between the largest sources of coverage and value stocks. The cost of inventories is compared sequentially with the presence of its own working capital, which gradually adds the cost of long-term liabilities and short-term loans. According to the availability of stocks, given funding options, distinguish four types of financial stability (absolute stability and normal, pre-crisis, and crisis financial condition). However, we believe that requires clarification of such an indicator as "net current assets");

- 2) calculating a certain number of factors and based on studies of their dynamics and compared with normative values, formulating some conclusions about the financial situation of the company (in the main defined indicators of operational sustainability liquidity ratios (current, absolute and quick), indicators of medium-term stability turnover ratio (business activity), and indicators, respectively, long-term stability of the enterprise - profitability ratios). A decrease in the financial stability of the enterprise is investigated by means of aggregate estimations of the probability of bankruptcy;

- 3) the use of one integrated indicator, which consists of several most important coefficients, determining

certain limits of its value to identify the financial stability and financial condition of the enterprise (most often used to assess the probability of bankruptcy of the investigated enterprise in pre-crisis or crisis financial stability; definition of such indicators is the result of research into the possibility of conducting a comprehensive assessment of financial condition using multifactor discriminant analysis);

4) construction of detailed unified analytical financial tables based on accounting, financial, and tax reporting, the format of which allows you to combine these forms for a detailed analysis which, in turn, will calculate specific indicators for the entire period, rather than outline areas of enterprise development as of reporting dates. Value-added is a key indicator, so the analysis of financial stability is carried out at the stages of formation, distribution, and use of value-added. Thus, the important tasks today in the field of analysis and assessment of financial stability of enterprises is to develop an optimal system of indicators, based on methods of their calculation, as well as the establishment of their normative values, which are differentiated by individual industries and take into account their normative value in countries with developed market economies [6].

Summarizing the methods of assessing financial stability, we believe that it is necessary to identify the following areas of its study, which can be considered fundamental: determining the level of supply of stocks with sources of their formation; analysis of partial indicators (coefficients) of financial stability in dynamics and their comparison with normative values; calculation of an integrated indicator, which is formed from several of the most important coefficients. The first two approaches are the most widespread in domestic practice. Choosing the approach of analysis of the financial stability of the enterprise, it is necessary to take into account the tasks of analysis and the specifics of the enterprise, namely the sectoral characteristics of agricultural enterprises.

In the process of research, we consider the impact on the ability of enterprises to be financially stable through the study of such factors as interest coverage ratio, debt ratio, and financial leverage. These indicators allow us to predict the impact of individual factors in the long run.

The interest coverage ratio is determined by dividing the profit before interest and taxes on interest expenses and determines how many times the profit exceeds the interest on the debt. If a number of ratios are directly related to the number of loans, this ratio takes into account the ability of the company to service debts. Accordingly, its value is influenced by the following main factors: operating profit, total borrowings, and the effective interest rate. Thus, when an enterprise has significant debts, but the interest rate is not high, its balance sheet has a stable appearance due to the inherent interest coverage.

The debt ratio (the ratio of funds, financial stability, independence, autonomy), as one of the fundamental, is the ratio of debt and equity. The ratio sets the ratio of any financing methods reflected in the balance sheet (possibly comparing equity and debt capital). In modern theory and practice, there are three main methods of calculating this coefficient:

1. the ratio of borrowed capital (long-term and short-term loans) to equity - a classic method, but it is difficult to characterize the balance sheet;

2. the ratio of equity to total capital - the inverse of the third method;

3. the ratio of total borrowed capital (long-term and current liabilities) to total capital - shows the percentage of loan financing as a percentage. The method allows you to quickly take into account the repayment and non-repayment of liabilities.

To date, the question of interpretation in this case of deferred tax liabilities and other types of capital remains controversial in scientific circles.

Thus, the importance of this ratio is that it allows you to manage debt (financial) risks, because the emergence of debt determines the systemic outflow of funds, although their inflow, for the most part, remains uncertain. Accordingly, according to this ratio, analysts track the correct relationship between risks and profits, which may have a directly proportional relationship.

The long-term capital ratio is defined as the fraction of the sum of long-term liabilities by the amount of equity and long-term liabilities and characterizes the structure of sources of asset coverage. The growth of this ratio indicates the dependence on external sources of funding. Financial leverage contributes to a significant increase in employee income and its level affects their profitability. Therefore, if we exclude the projected value of the ratio of debt and equity under different financing options, we can predict the following results: no debt, there is a relatively stable return on capital; debts occur, and borrowing can lead to an increase increased on equity, compared with the first option.

In the process of optimizing the financial management of the enterprise, the optimization of the capital structure is one of the most crucial and complex tasks to be solved [7].

Stages and methods of the process of optimizing the capital structure of the enterprise:

1. Analysis of capital on enterprises. The main purpose of this stage - identification of trends in the volume and composition of capital in the previous period; the impact of changes on the financial stability of the enterprise and the efficiency of capital use.

2. Assessment of the impact of key factors on the optimization of capital structure. Determining from these factors we see: branch features of operational activity of the enterprise; stage of the life cycle of the enterprise; commodity market conditions; financial market conditions; the level of profitability of operating activities; operating leverage ratio; the attitude of creditors to the enterprise; the level of income taxation; the financial mentality of owners and managers of the enterprise; the level of concentration of equity.

3. Optimization of capital structure by the criterion of maximizing the level of financial profitability. The financial leverage mechanism is used to perform such optimization calculations.

4. Capital optimization by the criterion of minimizing its value. This stage is based on a single assessment of the value of equity and borrowed capital under different conditions of its involvement and the implementation of multivariate calculations of the weighted average cost of capital.

5. Optimization of capital structure by the criterion of minimizing the level of financial risks. This method is based on the division of sources of funding by elements of enterprise property.

I. Vykydanets draws attention to the fact that there are three basic approaches to financing different groups

of assets of the enterprise, namely: 1) conservative approach; 2) a compromise approach; 3) aggressive approach [7].

The choice of sources of funding for assets depends on the level of impact and the probability of financial risks. Therefore, from the above methods and stages of optimizing the capital structure, it is necessary to note the importance of strategic capital analysis, which consists of defining such a relationship between the assessment embodied in the company's own funds and the value invested in cash raised on the terms of return, which achieves maximum efficiency of the enterprise.

The key task of assessing the financial stability of agricultural enterprises is to determine the degree of dependence of the enterprise on borrowed capital.

In the analytical practice of economically developed countries, the coefficient of sustainable economic development of enterprises and the "model of sustainable growth" is widely used.

That is, the increase in equity through net income is a necessary prerequisite or basis for the financial stability of the enterprise, its sustainable economic development. An increase in equity increases the bank's confidence in the event of a loan.

Using the normative values of indicators presented in table 3, we have structured the following levels of financial stability in the form of a matrix: high, standard, low.

Table 3

Matrix of indicators to ensure the financial stability of agricultural enterprises

Influence external financial environment	Ensuring the financial stability of the enterprise		
	High (value indicators ≥ 1)	Standard (value indicators in the range 0,5...1)	Low (values in the range 0,1...0,5)
1	2	3	4
Positive	1. Favorable situation, the negative impact of the external environment is higher than minimal. Sustainable growth strategy.	2. Normal financial stability of the enterprise under the positive influence of the external environment gives the ability to implement a strategy of sustainable growth.	3. Stable external position produces reserves for the regeneration of the financial stability of the enterprise. Strategy for maintaining financial stability.
Neutral	4. The company can implement a strategy of sustainable growth and be with a stable financial system in the absence of significant influence of external factors.	5. Outdoor environments – are essentially no impact on the financial stability of the company. In this situation, the strategy of maintaining financial stability is relevant.	6. In the absence of a significant influence of the external environment, it is expedient to use the strategy of financial stabilization to restore financial stability.
Negative	7. The negative outflow of the external environment above can be overcome due to financial stability. For such the situation is a relevant maintenance strategy stability.	8. The significant effect of destabilizing external factors, provided normal financial condition, determines the pattern of financial stabilization strategy.	9. The power of destabilizing external factors is significant. The financial situation at the enterprise approximate driving to the crisis (bankruptcy). Financial stabilization strategy.

Source: suggested by the authors

The high level of financial stability of the system is characterized by the fact that all stocks are covered by working capital. The standard level of collateral is associated with a violation of solvency, but at this level, there is a possibility of restoring the financial balance by replenishing the sources of own funds and increasing working capital. The low level of ensuring the financial stability of the enterprise indicates that the production and economic system is on the verge of bankruptcy. This level is characterized by the fact that cash, short-term securities and receivables do not cover its accounts payable, and overdue loans.

So, the proposed matrix to ensure the financial stability of the enterprise allows determining the quality of management of financial resources under the influence of risks of the external and internal environment.

The analysis of the peculiarities of the activity of agricultural enterprises allowed us to conclude that the most acceptable and informative are the coefficient, aggregate, and integrated approaches to the assessment of financial stability.

M. Luchko, S. Zhukevich, A. Farion, I. Shkol'nik, I. Boyarko, O. Deineka, and others note that for Ukrainian enterprises the most commonly used in practice is the method of financial ratios, according to which the authors propose to assess financial stability by groups of indicators, property status, solvency and liquidity, profitability and business activity [1, 3, 4].

Thus, the determination of financial stability using financial ratios is the most common method used in the practice of domestic businesses.

The essence of the coefficient approach to assessing the financial stability of the enterprise is to calculate and analyze a number of financial ratios. A methodical approach to determining financial stability using financial ratios is the most common. When using the ratio approach, the number of financial ratios ranges from one to sixteen or more.

There is no single accepted approach to using the information to quantify financial stability and assess it. There are two main approaches to determining financial

stability, according to which the information base of the analysis is differentiated [2].

At the first approach at the estimation of the financial state and financial firmness of enterprise-oriented exceptionally on the information of balance about sourcing, that on a capital. In this case, the assessment of the financial stability of the enterprise is carried out only on the basis of liabilities of the balance sheet.

The second approach to assess the financial stability of the enterprise analyzes the relationship between assets and liabilities of the balance sheet, that traces the use of funds.

In the first approach, the coefficients calculated from the liabilities of the balance sheet are the main ones. However, the characteristics of financial stability with such indicators will not be complete. It is important not only to know where the funds are raised but also where they are invested, what is the structure of investments.

The second approach is more complete and economically more justified. Therefore, a full assessment of the financial stability of the enterprise should be carried out using both coefficients calculated from the liabilities of the balance sheet and coefficients that reflect the relationship between the sources of funds of the enterprise and the structure of investments [8].

T. Bezugla emphasizes that in the world and domestic practice the developed system of indicators for

an estimation of financial stability is divided into two classes.

The first class includes indicators with established normative values (indicators of liquidity and solvency), and the second class includes indicators without established normative values (indicators of profitability, management efficiency, business activity) [9].

The first stage of the analysis of the financial condition of the enterprise is an assessment optimal ratio of equity and debt capital of the enterprise. These indicators are divided into two authors into two blocks:

1) capitalization ratios that characterize the financial condition of the enterprise from the standpoint of the structure of sources of funds;

2) coverage ratios that characterize the financial stability from the standpoint of costs associated with the maintenance of external sources of borrowed funds [8].

The analysis of financial stability (solvency) of the enterprise is carried out according to the balance sheet of the enterprise. The analysis characterizes the structure of sources of funding for enterprise resources, the essence of financial stability, and the independence of the company from external sources of funding for its activities.

Calculation of capitalization and coverage ratios for Velykokisnytske LLC, p. Velyka Kisnytsia of Yampil district is given in table 4.

Table 4

Analysis of financial stability indicators by the coefficient approach

№ п/п	Показники	2017	2018	2019	Deviation, (+,-)
1	Coefficient of financial autonomy	0,659	0,726	0,783	0,124
2	Coefficient of financial dependence	1,516	1,317	1,276	- 0,24
3	Financial risk ratio	0,516	0,317	0,276	- 0,24
4	Equity maneuverability ratio	1,127	2,404	0,877	- 0,25
5	Coefficient of coverage structure of long-term investments	0,052	0,024	0,023	- 0,029
6	Long-term borrowing ratio	0,019	0,012	0,009	- 0,01
7	Coefficient of financial independence of capitalized sources	0,981	0,988	0,991	0,01

* Source: formed on the basis of financial statements of Velykokisnytske LLC for 2017-2019

Calculations showed that the ratio of financial stability in 2019, compared with 2017 increased by 0,124 points. The reason for this was an increase in the cost of equity by 106 % and current liabilities by 11, 2 %. The decrease in the ratios of financial dependence and financial risk by 0,24 points is a positive trend.

An important characteristic of a stable financial position is the coefficient of maneuverability. The coefficient of maneuverability of equity during the study period decreased by 0,25 points. That is, the calculation showed that 78,3 % of equity is used to finance current operations. The value of this index exceeds recommended values I and this is positive for improving the financial condition of the company. The mixing of this indicator indicates a decrease in the company's ability to maneuver freely with its own funds.

The coefficient of the structure of long-term investments decreased by 0,029 points, and the value of this indicator does not theoretically correspond to the limit. Therefore, a low value of this indicator is not normal for the work of the enterprise.

The value of long-term borrowing ratios also decreased in dynamics by 0,01 points, and the financial independence of capitalized sources in dynamics increased by 0,01 points or more of its regulatory value,

which is a positive trend, as it shows that the share of equity in total the amount of sources of long-term financing is quite average and there is a more rational approach to the formation of the financial strategy of the economy.

For each company, the values of these indicators will be different. The value of the coefficients is influenced by the following factors: the stage of the life cycle of the enterprise, the branch of its activity, the structure of sources of funds, the turnover of current and all assets. Therefore, the application of the coefficient approach is problematic in terms of the inability to draw unambiguous conclusions about the degree of financial stability of the enterprise.

In particular, the aggregate approach to the assessment of financial stability, which is a supplement to the coefficient method and is based on the definition of a certain set of aggregates, has gained wide recognition among scientists and practitioners [10, 11, 12].

The aggregate approach is based on the definition of financial stability on the basis of aggregates. This methodological approach is a supplement to the above, as there are four types of current financial stability of the enterprise.

An important indicator that characterizes the financial stability of the enterprise is the type of sources of financing of working capital (table 5).

Table 5

Analysis of financial stability indicators according to the aggregate approach, thousand UAH					
№ п/п	Показники	2017	2018	2019	Deviation, (+,-)
1	2	3	4	5	6
1	Availability of working capital	16698	21953	33896,9	17198,9
2	Availability of own working capital and long-term debt sources (working capital)	17254	22476	33420,3	17166,3
3	The total value of the main sources of funding	30816	38480	32341,1	1525,4
4	Excess (+) or lack (-) of working capital	- 1610	260	96	1706
5	Excess (+) or lack (-) of working capital and long-term sources	- 1054	783	- 380,6	673,4
6	Excess (+) or lack (-) of the main sources of stock formation	12508	16787	- 1459,8	- 13967,8

* Source: formed on the basis of financial statements of Velykokisnytske LLC for 2017-2019

After the analysis, which is shown in table 5, it was found that LLC "Velykokisnytske" experienced a shortage of working capital only in 2017, as well as a lack of long-term sources of funding as of the end of 2017 and 2019.

In 2019, inventories exceeded the main sources of funding by UAH 1459,8 thousand, which is a tendency to further deterioration of inventory security. If at the end of 2017 there was a surplus of the main sources of inventories in the amount of 12508 thousand UAH, then at the end of 2019 we see that there was a decrease in this indicator by 13967,8 thousand UAH. and as a result, Velykokisnytske LLC ran short.

An integrated approach makes it possible to provide an integrated assessment of the degree of financial

stability. It can be applied in practice, especially in a crisis of the economic system, when the economic relations of the enterprise that existed before, are broken and there is a process of establishing new relationships with partners interested in sufficient financial stability [4, 5].

Indicators of financial stability under this approach characterize the state and structure of assets of the enterprise and their security sources.

This approach is interesting in that, unlike all those described above, in the process of its implementation, each of the indicators is considered in conjunction with other indicators. In addition, for the overall assessment of the financial condition of this approach using a generalized indicator of changes in the financial stability of the enterprise.

$$F_s = \frac{(1 + 2C_{LF} + S_{AVK} + 1 : C_{E.R.} + C_{R.V.} + C_{A.R.})^1}{(1 + 2C_{L.F.} + S_{A.V.K.} + 1 : C_{R.V.} + C_{A.R.})^0} - 1, \quad (1)$$

where $C_{L.F.}^1$, $C_{L.F.}^0$, – the coefficient of long-term attraction of funds in the reporting and previous periods; S_{AVK}^1 , S_{AVK}^0 , – providing inventory ratio of working capital in the reporting and prior periods; $C_{E.R.}^1$, $C_{E.R.}^0$, – the ratio of borrowed and own funds in the reporting and previous periods; $C_{R.V.}^1$, $C_{R.V.}^0$, – coefficient of the real value of property; $C_{A.R.}^1$, $C_{A.R.}^0$, – fixed asset ratio [4, 5].

The criteria for evaluating this indicator are:
if $F_s > 0$, it indicates an increase in the financial stability of the enterprise;

if $F_s < 0$, it indicates a decrease in the financial stability of the enterprise.

Indicators of financial stability, determined by the integrated approach are presented in table 6.

Table 6

Characteristics of indicators of financial stability, determined by the integrated approach					
№ п/п	Показники	2017	2018	2019	Deviation, (+,-)
1.	Coefficient of coverage of inventories with working capital	0,755	0,804	0,815	0,06
2.	Coefficient of maneuverability of own funds	0,611	0,501	0,601	- 0,01
3	Fixed asset index	0,667	0,815	0,813	0,146
4.	The ratio of long-term borrowing costs	0,020	0,012	0,009	- 0,111
5.	Wear accumulation coefficient	0,649	0,435	0,491	- 0,158
6.	Real property value ratio	0,613	0,655	0,724	0,111
7.	The ratio of borrowed and own funds	0,516	0,377	0,276	- 0,24

* Source: formed on the basis of financial statements of Velykokisnytske LLC for 2017-2019

The analysis of the totality of all indicators taking into account the specifics of the company's activity allows us to conclude that Velykokisnytske LLC has good financial stability, which indicates a decrease in almost all indicators in the dynamics. The growth of the fixed asset index, which meets the standard - less than 1, but compared to 2017 more by 0,146 points is a negative trend. The financial stability of the studied company

was positively affected by the increase in the ratio of inventories to own working capital by 0.06 points, which indicates the self-financing of inventories.

Therefore, a large number of approaches to determining the financial stability of the enterprise indicates the versatility of this concept.

Accordingly, the results of the analysis allow us to conclude that there is a stable financial condition, as indicated by the size and trend of changes in key financial

indicators: the coefficient of financial independence, the coefficient of financial dependence, the fixed asset index. Nevertheless, the company needs to take measures for economic and financial recovery.

The financial stability of the economy is determined by:

- the optimal ratio between asset items and components of sources of formation (assessment of financial stability);

- the optimal ratio between profit, sales, cost, price (analysis of critical sales);

- the optimal structure of the components of assets (characterized by operating leverage) [3].

Financial stability leads to increased profits. The magnitude of the net profit depends on many factors, as well as on how rationally used financial resources. This is reflected in the volume and structure of non-current and current assets, which, in turn, determines the main elements of cost - variable and fixed costs. The relationship between them is determined by the technical and technological policy of the enterprise. Changing the cost structure affects the amount of profit.

The financial stability of the enterprise is determined primarily by the optimal structure of both assets and sources of financing of the enterprise. The process of optimization depends on called leverage. Because Leverage can be considered as a factor, a small change in which can lead to a significant change in performance, so leverage is seen as an asset management process aimed at increasing profits.

The margin of financial stability characterizes the level of security of the main activity that the company has at the moment and which can be used in case of

force majeure: when reducing production or sales, or in the absence of the required amount of materials, electricity and more. At the same time, this margin of financial stability determines the protection of creditors and suppliers from possible non-payment of funds.

The margin of financial stability is determined using special methods of analysis: analysis of the critical volume of sales, determination of the safety zone, calculation of indicators of operational, financial, operational, and financial leverage.

An important aspect of financial analysis is to determine the margin of financial stability, which allows you to properly justify management decisions in business. This analysis is called marginal analysis. Its methodology is based on the study of the relationship between three groups of important economic indicators: "costs - production volume (sales) - profit" and forecasting the value of each of these indicators at a given value of others. This method of management calculations is also called break-even analysis or income promotion, or CVP-analysis.

The main indicators are the critical volume of sales, or the break-even point, or the break-even point, or break-even point (in physical and monetary units), the margin of safety (in absolute and relative units), and the margin of safety.

Break-even point characterizes the volume of sales at which the company's income is equal to its costs, and profit, as well as loss, is zero. The break-even point is calculated in physical and monetary units.

We calculate the margin of financial stability of LLC "Velykokisnytske" for 2017 - 2019 and evaluate it (Table 7).

Table 7

Analysis of the stock of financial stability of LLC "Velykokisnytske" for 2017 - 2019

№ p/p	Indexes	2017	2018	2019	Deviation, (+,-)
1	Net income from sales of products, thousand UAH	31196	37277	41160,8	9964,8
2	The amount of marginal income, thousand UAH	11332	15740	16520,3	5188,3
3	The amount of conditional fixed costs, thousand UAH	1191	1305	1412	221
4	The share of marginal revenue in revenue (line 2: line 1),%	36,32	42,22	40,14	3,82
5	Profitability threshold, thousand UAH	3279	3091	3518	239
6	The stock of financial stability				
	- thousand UAH	27917	34186	37642,8	9725,8
	- %	89,49	91,71	91,45	1,96

* Source: formed on the basis of financial statements of Velykokisnytske LLC for 2017-2019

These tables show that in connection with the received marginal income, the threshold of profitability in 2017-2019 years increased by UAH 239 thousand. In fact, revenue in 2017 year amounted to UAH 31,196 thousand, for which the stock amounted to UAH 27,917 thousand or 89,49%.

In the reporting year 2019, the situation improved somewhat. Velykokisnytske LLC had to sell products worth UAH 3518 to cover all costs. With such revenue, profitability is zero. In fact, revenue amounted to UAH 41160,8 thousand, which is higher than the break-even point by UAH 37642,8 thousand, or 91,45%. This is a margin of financial stability. Revenue can be reduced by 91,45% and only then the profitability will be zero.

The company needs to constantly monitor the threshold of profitability and the margin of financial stability, because when revenue decreases, even more, Velykokisnytske LLC will become unprofitable, will "eat" its own and borrowed capital, will become bankrupt.

In 2019, compared to 2017, the stock of financial stability in absolute terms increased by UAH 9725,8 thousand, and in relative terms - by 1,96 %.

So, Velykokisnytske LLC has a high margin of financial stability during the period under study.

But it is worth noting that the margin of financial stability applies only to the main operating activities without taking into account income and expenses from other activities. Therefore it is necessary to pay additional attention to financial results from operational, financial, investment activity.

These analytical calculations show that the break-even volume and safety zone depend on fixed costs, the share of variable costs, and the level of product prices.

In an unstable external environment, the functioning of economic entities is characterized by difficult business conditions, increasing competition between enterprises, which leads to the deterioration of their fi-

nancial condition, and subsequent bankruptcy. Therefore, one of the main problems of enterprises is to strengthen their financial stability.

O. Malashevskaya proposes to improve financial stability through a capital optimization management policy, the main component of which is a compromise between the degree of risk and capital turnover. In carrying out its normal activities, the company should not use 100% of the borrowing opportunities. It is necessary to reserve "borrowing power" so that there is a possibility, if necessary, to use the loan without converting the differential of financial leverage to a negative value [8]. American experts advise not to exceed 40% of borrowed capital in the structure of total capital, that is the leverage should be 0,60 [9].

Having a high level of net return on equity, the company has the opportunity to leave most of the profits for its development, which is for capital investments in fixed assets. Equity provides financing for the needs of the business entity in the strategic direction, performs the function of guarantee in relations to banks or lending firms.

O. Smetanyuk defines the basic principles of the process of optimizing the capital structure of the enterprise [13]:

1. Taking into account the forecasts for the economic activity of the business entity. The capital formation should be associated with the requirements of economic activity not only at the initial stage of enterprise establishment but also in the near future. It can be achieved through the implementation of the necessary calculations associated with the forecasts of enterprise development.

2. Formation of conformity of the attracted capital to volumes of current and non-current assets of the enterprise. When creating a new enterprise, the total need for capital includes capital, which is associated with the initial costs (these costs are necessary for the

development of a business plan; they are a small part and are usually one-time); start-up capital, the purpose of which is the direct formation of enterprise assets.

3. Creating an optimal capital structure in terms of its efficient use. The implementation of plans to achieve a positive end result of the enterprise depends on the capital structure in terms of its affiliation. The capital structure is the ratio of own and borrowed financial resources that the firm consumes in the course of its economic activity.

As shown in the period from 2017 to 2019 analysis and coefficient, aggregation and integrated approach of "Velykokisnytske" LLC developed to be active. However, we believe that one of the areas of strengthening financial stability is a need to develop methods of rapid assessment of financial stability, which would become useful in identifying trends in the changing financial viability through space-time analysis to determine the reliability of the lender in making a decision on granting loans under current volatile market conditions. With this

For this purpose, we propose to use models of financial condition analysis by calculating a six-factor integrated indicator, which includes an assessment of: 1) the vertical balance of sources of financial resources; 2) the horizontal equilibrium of the rate of turnover of inventories; 3) the turnover rate of current assets; 4) the speed of turnover of inventories; 5) the ratio between the rate of change of average annual absolute values of equity and total capital; 6) the degree of coverage of financial costs of income. To interpret the results of the rapid assessment, an identification scale is proposed, the application of which allows drawing a conclusion about the level of financial stability of a particular enterprise as high, acceptable, insufficient, or low. In our opinion, the interpretation of the obtained results should be carried out using the scale of assessment of the average values of the indicator of financial stability (Table 8).

Table 8

Scale for assessing the level of financial stability on the basis of the obtained average values of the indicator of financial stability

Indexes	Scale for assessing levels of financial stability			
	High level financial stability	Acceptable level financial stability	Insufficient level financial stability	Low level financial stability
The value of the financial indicator stability, IFS	$IFS \geq 1,2$	$1,0 \leq IFS < 1,2$	$0,8 \leq IFS < 1,0$	$IFS < 0,8$

Source: suggested by the authors

Thus, the deepening of the express analysis of the financial stability of agricultural enterprises using an integrated indicator - the index of financial stability accumulates the most important aspects that determine the features and specifics of the agricultural sector in an unstable environment.

Conclusions. It should be remembered that in market conditions, ensuring the financial stability of the enterprise is one of the most important problems, as insufficient financial stability can lead to insolvency and lack of funds for enterprise development.

Therefore, it is possible to formulate a general rule for any enterprise - future business partners, first of all, prefer enterprises with a high share of equity, with greater financial independence, as such an enterprise is more likely to repay debts with equity. The owners of the enterprise prefer a reasonable increase in the dynamics of the share of borrowed funds.

Absolute values and trends of relative indicators of financial stability assessment have, as a rule, different interpretations. That is, if according to some factors the company is considered financially stable, then according to other criteria there may be the opposite conclusion.

The application of the proposed comprehensive methodology of rapid analysis of financial stability of agricultural enterprises made it possible to differentiate enterprises of the sample by the level of financial stability, which characterizes the effectiveness of strategic management of economic assets and sources of their formation in the process of expanded reproduction in modern changing economic conditions.

The high level of uncertainty in the external environment in which domestic agricultural enterprises operate makes it difficult for them to achieve strategic financial goals and ensure their long-term financial stability, requires the creation of an effective system of

strategic financial management. An integral element of such a system should be a risk management mechanism to reduce financial stability through the use of modern models for predicting bankruptcy.

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СТРАТЕГІЧНЕ УПРАВЛІННЯ МАРКЕТИНГОВО-ЗБУТОВОЮ ДІЯЛЬНІСТЮ АГРАРНИХ ПІДПРИЄМСТВ

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STRATEGIC MANAGEMENT OF MARKETING AND SALES ACTIVITIES OF AGRICULTURAL ENTERPRISES

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Анотація

У результаті дослідження здійснено визначення функціонального навантаження та організаційних заasad здійснення процесу стратегічного управління маркетингово-збутовою діяльністю аграрних підприємств. Запропоновано механізм стратегічного управління маркетингово-збутовою діяльністю аграрного підприємства. Формалізовано основні типи систем стратегічного управління маркетингово-збутовою діяльністю, в якості вказаних типів виділено пасивні, активні та гібридні (адаптивні) системи стратегічного планування маркетингово-збутової діяльності підприємств.

Abstract

As a result of the research, the functional load and organizational bases of the process of strategic management of marketing and sales activities of agricultural enterprises were determined. The mechanism of strategic management of marketing and sales activity of the agricultural enterprise is offered. The main types of systems of strategic management of marketing and sales activities are formalized, passive, active and hybrid (adaptive) systems of strategic planning of marketing and sales activities of enterprises are singled out as the specified types.

Ключові слова: маркетинг, збут, аграрні підприємства, стратегії, стратегічне управління, механізм стратегічного управління.

Keywords: marketing, sales, agricultural enterprises, strategies, strategic management, strategic management mechanism.

Вступ. Збільшення результативності виробництва та збуту продукції аграрних підприємств за рахунок використання маркетингово-збутового інструментарію має значний потенціал для стабілізації розвитку суб'єктів аграрного виробництва з

огляду на побудову конкурентних структур цільових ринків збуту продукції аграрних підприємств, наявні тенденції поглиблення інтеграційних процесів в агропромисловому виробництві та можливості

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