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**FORMATION AND AN
EFFECTIVE USE OF
FINANCIAL RESOURCES
OF THE ENTERPRISE IN
THE CONTEXT OF
FINANCIAL AND
ECONOMIC SECURITY**

Dynamic public processes under the influence of unstable economic, social and political factors create the significant threats to financial interests and the high level of financial risks at the enterprises. Under such conditions, the questions concerning the formation and use of financial resources in the context of financial and economic security of the enterprise as a necessary prerequisite for its effective operation and resistance to internal and external risks and threats remain actual.

The efficiency of the activity of the enterprise in the market economy largely driven by a condition of its finance, which leads to the need to find out the problems which prevent ensuring the financial security of the enterprise. Even at very high profitability, an insufficient attention to the problems of financial security of the enterprise can lead to the fact that the enterprise will become an object of a hostile takeover (Arefieva & Kuzenko 2009).

In the scientific literature, there are many different approaches, methods, financial strategies to determine the efficient use of financial resources. However, the question about the formation and effective use of financial resources of the enterprise in the context of financial and economic security remains urgent nowadays.

Financial resources of the enterprise play an important role in the development of its economic activity, expansion and renovation of fixed assets, salary and social events. Determination of optimum need for financial resources, providing their structure, sources of forming and the reasonable directions of their use influence on effective activities of the enterprise (Shcherban 2013).

Before considering the questions of forming and use of financial resources in the context of financial and economic security it is necessary to give an interpretation of these definitions.

It should be noted that today there are many interpretations about the nature of the concept of "financial resources". In particular, Vasylyk O. (2000, p. 17) notes that the financial resources are money savings and the income generated in the course of distribution and redistribution of the gross domestic product and concentrated in the relevant funds to ensure continuity of extended reproduction and meet other social needs.

Korobov M. (2002, p. 17) argues that the financial resources of the enterprise are its own and borrowed funds, formed in the course of distribution and redistribution of a national wealth, GDP and a national income and are used for the authorized purposes of the enterprise.

Rodionova V. (1995, p. 15) determines that the financial resources of the enterprise are a cash income and revenues which are available to the enterprise and intended for an accomplishment of its financial commitments, making expenditures for expanded reproduction and economic incentives of workers. Zyatkovsky I. (2002, p. 12) claims that the financial resources of the enterprise are a set of funds, revenues, deductions or receipts which are at the disposal of the enterprises.

Thus, examining the scientific works of various researchers, it is possible to give a complete and specified definition of the term "financial resources of the enterprise", which, in our opinion, are a part of the funds that were formed during the setting-up of an enterprise and comes to the enterprise by results of operating, investing and financing activities for the implementation of the set tasks and accomplishment of the liabilities.

From the definition of the financial resources, we can see that the financial resources are divided into internal (own) and external (involved). External or involved financial resources are also divided into two groups: own and borrowed (Oparin 2000, pp. 10-11). Such division is caused by a form of capital, in which it is invested by external participants into the development of the enterprise: as an entrepreneurial or a borrowed capital. Accordingly, the result of investments of an entrepreneurial capital is a formation of the attracted own financial resources, the result of investments of a borrowing capital – borrowed funds (Shkarlet 2007, p. 358).

As it was noted above, many scientists have paid attention to the determination of the category "financial resources", sources of their formation, classification, but much fewer scientists have appealed to an assessment of the use of financial resources in the context of financial and economic security.

Note that the main goal of management of financial resources of the

enterprise is to ensure profit maximization of the enterprise in the current and prospective periods. In a final case, this purpose receives specific expression in ensuring maximization of the market value of the enterprise that implements the final financial interests of its owners (Vasylyk 2000).

The quality of use of financial resources can be estimated through efficiency of use, at the same time the efficiency is provided with an impact of many internal and external factors: economic, legal, social and others (Huliaieva 2009, p. 60). Economically the efficiency of use of financial resources of the enterprise can vary depending on the following factors:

- the orientation of the enterprise and an intensive way of development and achievement of a higher level of efficiency in the economy;

- identification of reserves to further improvement of economic activity of the enterprise through the introduction of scientific and technical progress, advanced technology and improvement of production organization;

- creation of the efficient mechanism to increase the efficiency (Shkarlet & Horshunova 2015).

The scientists consider the essence of the concept "financial security of the enterprise" in two aspects: as a condition of security of enterprise interests and as a condition of the effective use of enterprise resources (Shkarlet 2007; Melnyk & Lysenko 2010; Shkarlet & Horshunova 2015).

In particular, Havrylova T. (2011, p. 106) considers the financial security as a state of the enterprise, at which its financial stability is provided, posed problems are implemented thanks to the necessary amount of financial resources, and control at all stages and the competent management of the financial resources provide necessary benefits. Ensuring financial security should be based not on a position of a separate process, but in a system of interrelations of all processes which happen both inside of the enterprise, and beyond in interaction with the environment.

Marhasova V. and Rohovyi A. (2010, p. 124) note that the financial security should be defined as the financial and economic condition of the enterprises and the state, at which the complete use of all available resources and solving of the posed problems are provided, and the conditions for a full-fledged strategic development in the future are created.

Lazurenko V. and Filipenko T. (2007) consider the financial security of the enterprise as a condition of the most effective use of corporate resources of the enterprise, expressed in the highest values of financial profitability and profitability of work, quality of management and use of fixed and current assets of the enterprise, the structure of its capital, a regulation of dividend payments for securities of the enterprise, and also market value of its securities as a synthetic indicator of the current financial and economic situation of the enterprise and prospects of its technological and financial development.

Kyrychenko O. and Kim Yu. (2009) thinks that the financial security of the enterprise is such condition of financial resources in case of which effective (profitable) activities of the enterprise and protection of its financial interests are provided, and the enterprise capable of keeping the liquidity, solvency and financial opportunities under the influence of any dangers and threats.

Moskalenko V. and Plastun O. (2006) claim that the financial safety of the enterprise is a capability of the enterprise to perform the financial activities effectively and stable by means of optimization of the use of financial resources, ensuring their proper level and minimization of an influence of internal and external risks.

The financial security of the enterprise is a component of an economic security of the enterprise that determines development of the enterprise in the presence of the appropriate financial resources, sufficient structure of assets and the equity used by enterprises, compliance with the purposes and a mission, considering the level of internal and external threats, certain factorial influences in changing current and perspective periods of development.

Financial security can be defined as a condition of the most effective use of corporate resources, expressed in the best values of financial profitability and profitability of business, quality of management and use of fixed and current assets, the structure of its capital, a regulation of payments for its securities, and also market value of its securities as a synthetic indicator of the current financial and economic situation of the enterprise and prospects of its technological and financial development (Lazurenko & Fylypenko 2007).

Thus, based on the basic features and concepts of financial security, we can formulate a comprehensive definition of financial security. The financial security of the enterprise is a condition of the enterprise which:

- allows to providing financial balance, stability, solvency and liquidity of the enterprise during the long-term period;

- meets the needs of the enterprise in financial resources for its steady expanded reproduction;
- provides a sufficient financial independence of the enterprise;
- is able to resist to the existing and arising dangers and threats aiming to cause financial damage to the enterprise, or to change an undesirable capital structure, or to liquidate the enterprise compulsorily;
- provides a sufficient flexibility in case of making financial decisions;
- ensures the security of the financial interests of owners of the enterprise (Shkarlet & Horshunova 2015).

Objects of the financial security of the enterprise are: its property and assets (including intangible assets and off-balance sheet), transactions of attraction of financial resources and their use (loan relations, payment transactions, reservation, limitation, regulation of current assets reserve, the formation of revenues and profits), activities of the enterprise and its positioning in the business environment (analysis of competitors, banking products, insurance products, changes in tax laws, actions of the state industry programs of support of the development of an entrepreneurship, studying the nature of the cash flows, expenditures and financial resources formation for the responsibility centers, departments, responsible employees), financial interests of the enterprise (Shkarlet & Horshunova 2015).

The main purpose of the financial and economic security is to ensure its stable and maximally efficient functioning. The functional objectives of financial and economic security are following:

- ensuring the high financial performance of work, financial stability and independence of the enterprise;
- guaranteeing a technological independence and an achievement of a high level of competitiveness of technical potential of a certain enterprise;
- achieving a high level of efficiency of a management, an optimal and an effective organizational management structure of the enterprise;
- achieving a high qualification level of staff and its intellectual potential;
- minimizing the destructive influence of the results of industrial and economic activity on the environment;
- creation of a high-quality legal protection of all aspects of activities of the enterprise;
- ensuring the protection of an information field, trade secret and

achievement of a necessary level of information support of all divisions of the enterprise;

- providing an effective organization of personnel's safety on the enterprise, its capital and assets, and also commercial interests.

Among all the functional components of an adequate level of economic security the financial component is considered as one of the most important, because under market conditions of managing finance is the "engine" of any economic system (Bilyk 2005).

During assessing the current level of financial component of economic security such indicators are analyzed: financial statements and results of the enterprise - solvency, financial independence, structure and use of capital and profits; the competitive position of the enterprise on the market - the market share held by the enterprise; the level of applied technologies and management; enterprise stock market - operators and investors of securities, a share price and listing (Vovk 2004).

Indicators of financial security of the enterprise are limited values of such indicators: coverage ratio, coefficient of autonomy, level of financial leverage, coefficient of interest payable, return on assets, return on equity, weighted average cost of capital, an indicator of enterprise development, indicators of diversification, growth rates of profit, sales volume, assets, a ratio of turnover of receivables and payables and so on.

Indicators of assessment of financial security are following: excess or a lack of own current assets that are necessary for stock forming and a covering of the expenses connected with the economic activity of the enterprise, and also annual average and long-term credits and loans (Arefieva & Kuzenko 2009, p. 101).

The level of financial security of the enterprise is determined by external and internal factors, which are:

- poor management of current assets and capital structure (low-quality managerial and financial accounting);

- lack or inefficient control of a ratio of fixed and current assets, own and debt capital;

- application by competitors of unfair methods and techniques the competition;

- absence or insufficient control over the structure of deposits, a ratio of shares of a financial portfolio on risk-taking and profitability;

- poor management of a securities portfolio and external impact on the stock market;

- inefficient management of a personnel, technology, investment processes and operations, cost, production, etc;
- negative impact of force majeure or close to them factors (Bezpartochnyi 2010).

Deepening of the crisis phenomena in the economy of Ukraine requires an objective and impartial estimation of financial security of the enterprise for the purpose of timely diagnostics and prevention of threats, and also the development of an adequate and an efficient strategy for management of financial security of the enterprise.

It should be noted that the financial security as a component of the economic security of the enterprise, requires further researches, especially at the activity level of entrepreneurial structures: financial security of the subject of an entrepreneurship is an integral part of the financial management of the enterprise and should be implemented in the system of certain strategic and tactical actions and meet the current conditions of managing (Shkarlet & Horshunova 2015).

The rational combination of all elements of a management system of financial and economic security of the enterprises will allow minimizing an external and internal threats and dangers and related to them risks.

Ensuring financial security is one of the priorities of the management. However, an imperfection of the market, the legislative framework, and specifics of the functioning of the Ukrainian economy exacerbate the problems of providing financial security even more and allocate it as an important component of a system of an economic security of the enterprise.

Thus, forming and an effective use of financial resources of the enterprise in the context of financial and economic security is an extremely important task for ensuring the steady functioning of the enterprise.

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**FINANCIAL STIMULATION
OF MACROECONOMIC
STABILITY OF UKRAINE
FROM THE POSITION OF
SOCIO-ECOLOGICAL
DEVELOPMENT**

Macroeconomic stability is a complex combination of internal – external political activities, reflecting the dialectics of part and whole, determine the essential features of the endogenous social and political and economic actions in a particular moment of development of economic system on innovative principles. Sustainable development as a process of ensuring the functioning of the territorial system with the specified parameters in certain conditions for the necessary period of time, which leads to the harmonization of the factors of production and improving the quality of life for current and future generations in the circumstances of preservation and gradual reproduction of the environment integrity.