MONEY, FINANCES AND CREDIT

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INFLUENCE OF EFFICIENCY MANAGEMENT IN CURRENT ENTERPRISE ASSETS TO ITS FINANCIAL STABILITY

Enterprise financial stability – is the ability of enterprise saving the equilibrium structure of assets and liabilities that guarantee its current and future solvency and investment appeal within the acceptable level of financial risks. Financial stability is the key category and activity of every enterprise because its loss automatically means the loss of solvency and as the result the direct danger of bankruptcy. Such enterprises become bankrupts which are unable paying its obligations.

The purpose of the state influence study and effective management of current assets on the financial stability of the company is given.

It's given the key aspects of financial stability and noted their activities finance only from their own sources which are not only virtually impossible but not profitable for the enterprise.

It is defined advantages and disadvantages of personal and borrowed capital and said that personal capital advantages are the disadvantages of borrowed and conversely. It's also proved that personal capital has higher value in comparison with alternatively borrowed.

Enterprise which mostly uses personal capital has the highest financial stability but limits its development temps (because it can't provide the formation needed volume of additional assets volume in the periods of positive market conjuncture) and doesn't use the financial possibilities of profit growth to the invested capital.

Enterprise which uses the borrowed capital has the great possibilities in its development financing, is more flexible in this aspect and also the possibilities in the financial efficiency growth (personal capital efficiency, ROE) but to the greater extend generates the financial risks and danger of bankruptcy.

The main question of financial stability lays in question – which optimal of personal and borrowed capital may be considered as optimal. We can safely say that the single answer to this question is not and can't be, either 50/50 or 60/40 or any other ratio can't be considered optimal. Therefore, it is proved that the higher the solvency and its liquidity, the more the company can afford to borrow.