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FINANCIAL STABILITY OF CORPORATE ENTITIES IN THE CONTEXT OF STRATEGIC CHANGES IN UKRAINE

For today the Ukrainian economy is in the process of reforming due to political and economic crises. Economic conditions that require economic entities to react quickly to macroeconomic changes are also affected. Such circumstances provide for the implementation of effective mechanisms for managing the enterprise as a business entity, increasing attention to the financial management of the enterprise to ensure the financial stability of the enterprise.

There is an enormous amount of determinations of definition of «financial stability» in economic literature, so after analyzing them, we can provide our own. Financial stability – the state of enterprise, in that assets are provided with the stable sources of forming from the personal funds, solvency, effective management of the resource base is guaranteed,

with a financial and material independence in short- and long-term periods and a steady process of production and updating the product range [6, p. 146–147; 3, p. 22; 7, p. 135].

It is important for every enterprise to be able to navigate the modern system of market relations, adequately assess the real state of production potential and the presence of competitors. This is the reason for conducting a systematic assessment of the financial condition of the enterprise. Analysis of the financial condition of the enterprise is the most important step in evaluating its financial and economic activities, namely: development of a system of indicators for an objective assessment of the state entity and its structural subdivisions, determination of influence factors and identify deviations on indicators, forecasting financial condition of the company, revelation of reserves improving the financial condition of, justification for and preparation of managerial decisions to improve it.

Financial analysis can be either internal or external. The main components of internal analysis are: assessment of the implementation of the business plan by financial indicators, analysis of the balance sheet and other forms of reporting, calculation and analysis of financial coefficients, analysis of the financial result, analysis of the use of production resources. External analysis is performed by outside organizations based on accounting data, because it is only analytical. Based on the analysis of financial stability, an enterprise can be absolutely stable, normally stable, unstable or in crisis [4, p. 56].

The issue of financial stability research is one of the most significant economic problems. Enterprises are quite capable of developing by their own efforts, but they are certainly affected by external and internal circumstances (table 1).

Table 1

External and internal factors of influence on the financial stability of the enterprise

External	1. General economic factors	The rate of gross domestic product (GDP), the rate of inflation growth, monetary policy, the type of tax system.
	2. Market factors	Monopolization of markets, the level of supply and demand.
	3. Other factors	Demographic and political status.
Internal	1. Investment factors	The amount of investment resources, investment management.
	2. Organizational factors	Marketing strategy, product ranges, production management.
	3. Financial factors	Composition and structure of financial resources, management strategy, financial management.

Source: formed by the author based on [1, p. 237-238; 5, p. 79]

Thus, we can conclude that the problem of financial stability for Ukrainian enterprises is urgent and requires the introduction of mechanisms to increase solvency, profitability and liquidity in order to avoid bankruptcy. To ensure a normal financial condition, it is necessary to carry out financial control, rationally form and use financial resources in accordance with the situation on the domestic and global markets.

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