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Complex Analysis Of Financial Stability Of The Enterprise.

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ABSTRACT

This article examines the role of financial stability analysis and improvement of evaluation procedures, as well as offers to develop tools for analyzing the financial soundness of an enterprise in order to improve its efficiency in current economic conditions.

Keywords: company, financial stability, control, analysis, improvement, methodological basis.

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INTRODUCTION

Financial stability is one of the most important characteristics of the financial state of the organization. Carrying out of the complex analysis of financial stability of the enterprise assumes use of criteria and indicators which allow to receive a reliable estimation of its level, an orientation and intensity of change. However, up to the present time, economics has not finally developed approaches to justify their choice, methods of calculation, determining the patterns of development, etc. The main drawback of the available methodological provisions is that they do not allow to fully assess the financial stability of the enterprise, the degree of influence of various factors on the level of its change and the discrepancy with the threshold values.

Financial sustainability is a multifaceted economic concept that determines the ambiguity and insufficient argumentation of its essence, systematization, interpretation and choice of indicators characterizing this category, as well as evaluation criteria, taking into account industry specific features of the functioning of commercial organizations.

In the works of both domestic and foreign authors it is shown that the concept of "financial stability" is based on the optimal relationship between the types of assets of the organization (circulating and non-negotiable taking into account their internal structure) and sources of their financing (own and attracted funds). As L.T. Gilyarovskaya: "The concept of " financial stability "of the organization is multifaceted, it is more versatile than the concepts of" solvency "and" creditworthiness ", as it includes an assessment of various aspects of the organization's activities" [5, p. 9].

Existing definitions of financial sustainability, although they have a close interpretation (for example, the concepts of solvency, provision of monetary resources, risk reduction, etc.), however, in more detailed research, they often have different essential characteristics.

The concept of financial sustainability of a commercial organization in the literature is examined in terms of:

- Solvency in the long term;
- liquidity of assets;
- a set of indicators of solvency, determined for a long-term period, the movement of cash flows and liquidity of assets.

The financial stability of a commercial organization is its guaranteed payment and creditworthiness as a result of financial and economic activity.

MATERIALS AND METHODS

Different views among scientists, are manifested in the choice of criterion, which should be the basis for assessing sustainability. On the one hand, the criterion of sustainability should have a social orientation, and on the other, characterize the degree of efficiency of reproduction. Studies show that for enterprises, the assessment of sustainability can be carried out not only in terms of value, but also in terms of natural indicators. So, some economists as a criterion offer solvent demand of the population, others - net income, third - gross income, the fourth - the amount of use values. In other words, scientists continue to search for the most accurate criteria for assessing the category under study.

In our opinion, the criteria and indicators used to comprehensively analyze the financial stability of an enterprise must meet several basic requirements. First, they must characterize the state of natural resources, production and scientific and technical potential. Secondly, they should allow analyzing the dynamics and structure of production. Thirdly, it is necessary that they characterize the ability of the economic entity to adapt to the existing unfavorable internal and external factors and to ensure sustainable production of products in the required volume, range and quality.

RESULTS AND DISCUSSION

In general, the functioning of any socio-economic system occurs in the context of a complex interaction of a complex of internal and external factors. The stability of the enterprise is influenced by various factors.

External factors include:

- position of the enterprise in the commodity market;
- production and production of cheap, best-selling products;
- its potential in business cooperation;
- the degree of dependence on external creditors and investors;
- presence of insolvent debtors;
- the efficiency of economic and financial operations, etc.

Internal factors include the following:

- competence and professionalism of enterprise managers, their ability to take into account changes in the internal and external environment, the coherence of the work of the team;
- composition and structure of the products and services provided;
- the optimal composition and structure of assets (including the amount of paid-up authorized capital), as well as the correct choice of the management strategy;
- the composition and structure, the state of the property, financial resources, the correct choice of strategy and tactics for managing them;
- funds that are additionally mobilized in the loan capital market;
- Reserves as one of the forms of financial guarantee of the economic entity's solvency;
- branch belonging of the business entity.

We believe that the complexity and versatility of the category under study does not allow one to use one indicator fully as a generalizing characteristic. Using the methodology of complex analysis, we believe that the sustainability of enterprise development can be more fully expressed by the following components: production, social and economic. Thus, the first characterizes the supply of goods to the population in the required volume and range, the second - reflects the levels of reproduction and economic accessibility of material benefits for workers and employees, the third - is necessary for assessing financial sustainability. Each of them has a quantitative expression through its own group of indicators. When they are justified, it is very important to meet certain requirements.

Systematicity - involves interconnection and subordination between indicators of different levels, without which it is impossible to identify cause-effect relationships between individual parts of enterprise development sustainability, to study interdependence and interdependence between phenomena, to get a more complete picture of the object under study.

Variability - the indicators used for analysis must be quantifiable, i.e. must have a unit of measurement and the necessary information security.

Adequacy - this requirement provides that the reporting data should be sufficiently accurate, measurement errors should not lead to a distorted presentation of the results of the subject's activities.

Comparability - this means that in calculating indicators of sustainability indicators should take into account the following requirements: the unity of volume, cost, quality, structural factors; the unity of gaps or moments of time for which the compared indicators were calculated; comparability of the initial conditions of production; unity of the methodology for calculating indicators and their composition.

Reducibility - indicators should not only be the necessary elements of analysis, but also be in a causal relationship with the characteristics being studied, that is, be reducible to model expressions.

Reliability - the way of collecting and processing the initial information should allow the verification of the accuracy of the data obtained in the process of independent monitoring and assessing the sustainability of the enterprise.

Transparency - unnecessarily complex indicators should be avoided, their definition should ensure unambiguous interpretation, both by specialists and end users, including individual ones.

Directivity - this condition means that an increase or decrease in the value of each indicator of stability indicators should lead to an increase or decrease, respectively, the value of the integral indicator, which it includes.

Efficiency - the receipt of reporting data should be made with the minimum possible costs, the indicators used should be based to the maximum extent on existing programs for collecting information.

Among the main criteria of the economic component of sustainability of development, it is possible to attribute the following:

- strengthening of competitive positions of domestic commodity producers in the domestic and foreign markets;
- transition of the industry to the extended reproduction regime;
- ensuring financial stability of the enterprise.

Indicators for achieving these quality benchmarks are:

- share of profitable enterprises in their total number;
- level of profitability from the sale of products;
- coefficient of current liquidity;
- ratio of own circulating assets;
- share of products of domestic producers in the domestic food market;
- share of imported products in total food consumption.

CONCLUSION

Thus, the financial stability of a commercial organization is the main component of overall sustainability and can be recognized as an indicator of a sustainable excess of revenues over expenditures in the long run. Financial sustainability is a state of the organization that not only ensures free disposal of funds and their effective use, but also contributes to the continuity of the production process. It shows the ratio of own and borrowed capital, the accumulation of equity in the implementation of operational, investment and financial activities, as well as sufficient provision of reserves by its own sources. Therefore, the establishment of the boundaries of financial stability can be defined as an important economic problem, since insufficient financial stability leads to insolvency, bankruptcy of the organization, and excessive - hampers economic development, burdening costs with unnecessary reserves and reserves.

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