MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY

Karazin Banking Institute

Department: **Banking Business and Financial Technologies**
Specialty: **072 Finance, Banking, Insurance and Stock Market**
Educational program: **Financial Technologies and Banking Management**
Group: **AF-23M full-time mode of study**

QUALIFYING MASTER'S THESIS

on the topic:

ENTERPRISE CAPITAL MANAGEMENT

higher education student **Huang Wenyue**

The qualifying master's thesis was accepted for defense by the decision of the Department of Banking Business and Financial Technologies

Protocol No. 5 dated December 6, 2024

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Kharkiv – 2024

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APPROVED
Head of the Department
of Banking Business and Financial Technologies
Doctor of Economics, Professor
Galyna Azarenkova
« 25 » September 2024

TASK
FOR THE QUALIFYING MASTER'S THESIS

of Huang Wenyue

1.Topic of the work "ENTERPRISE CAPITAL MANAGEMENT".
Scientific adviser PhD in Economics, Associate Professor Nataliia Hnyp
(surname, first name, patronymic, academic degree, academic title)

Approved by order of the university dated September 17, 2024 No. 4601-5/1025.

2. Deadline for the student to submit the work November 18, 2024

3. List of issues to be developed:
In Chapter 1: to consider the economic essence, content and value of the capital of the enterprise; to analyze the normative and legal framework on issues of capital management of the enterprise; to consider the system of indicators of the capital management mechanism of the enterprise.
In Chapter 2: to carry out the technical and economic characteristics of the SG LLC "Hliboprodukt"; to analyze the financial condition of SG LLC "Hliboprodukt" using financial indicators; to investigate the state and structure of the enterprise's capital; to build an economic-mathematical model of effective management of the capital structure.
In Chapter 3: to propose recommendations for optimizing the capital structure of SG LLC "Hliboprodukt" according to the criterion of maximization and minimization; to analyze foreign experience in improving enterprise capital management; to evaluate the effectiveness of implementation of recommendations

and proposals.

4. Work plan

No.	Name of work stages
1	The choice of the topic of the qualifying master's thesis
2	Approval of the plan and tasks of the qualifying master's thesis
3	Completion of a qualifying master's thesis
4	Submission of a qualifying master's thesis to the department to check for borrowings from other documents
5	Admission by the head of the department to the defense of a qualifying master's thesis
6	Defense of a qualifying master's thesis

5. Date of the task issue September 25, 2024

Student HuangWenyue Huang Wenyue
signature initials, surname

Scientific Adviser ____________ Nataliia Hnyp
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ABSTRACT
ON THE QUALIFYING MASTER'S THESIS
"ENTERPRISE CAPITAL MANAGEMENT"
of Huang Wenyue

The qualifying master's thesis comprises 86 pages, 17 tables, 3 figures, 18 formulas, and a list of 80 references.

The **object of research** is the process of capital management at the enterprise.

The **subject of research** includes the theoretical, methodological, and practical aspects of optimizing the capital structure of the enterprise SG LLC "Hliboprodukt."

The **purpose of the qualifying master's thesis** is to generalize the theoretical foundations of capital management organization, analyze the current practices of enterprise capital management, and propose ways to improve this process by systematizing existing approaches on the subject.

The **tasks** of the qualifying master's thesis are as follows:

- to investigate the essence, significance, and value of capital in the economic activity of the enterprise;
- to outline the main regulatory and legal documents related to capital management at the enterprise;
- to provide a methodology for evaluating and optimizing the capital structure of the enterprise;
- to present the technical and economic characteristics of SG LLC "Hliboprodukt";
- to analyze the financial condition of the enterprise;
- to investigate the composition and structure of the enterprise's capital;
- to develop an economic and mathematical model for effective management of the capital structure of the enterprise;
- to propose recommendations for optimizing the capital structure of SG LLC "Hliboprodukt" based on the criteria of maximization and minimization;
- to analyze foreign practices in improving enterprise capital management;
- to evaluate the effectiveness of the implementation of recommendations and proposals.

Based on the results of the research, **theoretical and practical provisions** have been formulated, leading to specific proposals for improving the capital management of

the enterprise.

The obtained **results** can be applied through the defined methods of optimizing the capital structure to enhance the functioning of enterprises. The measures identified in this research will enable effective capital management and ensure the financial stability of the enterprise.

KEY WORDS: CAPITAL, EQUITY, DEBT CAPITAL, LIQUIDITY, RETURN ON CAPITAL

CONTENT

INTRODUCTION

Currently, the majority of enterprises have low efficiency of economic activity due to the high level of depreciation of fixed assets and the limitation of their own financial resources for modernization and technical rearmament of production. The modern economic situation requires from the owners and financial managers of enterprises effective management, careful control and timely adjustment of the capital structure of the enterprise, because the optimal capital structure allows obtaining maximum profit, profitability, financial stability and high indicators of liquidity and solvency, which explains the relevance of the chosen topic of capital management enterprises.

The problem of enterprise capital management is that with the development of the modern economy, the understanding of the content of capital and the mechanism of its management is lost. At this stage of the development of the economy of Ukraine, it is relevant.

Capital has a long history of research, beginning with the scientific works of Aristotle O.,he viewed capital as wealth, as a source of wealth, or as the absolute form of wealth. I. Smith, F. Kene, D. Ricardo, A. Smith, K. Menger, K.R. McConnell, P. Samuelson, S.L. Brew, I.A. Blank, considered capital as a resource involved in production, or as a factor of production. K. Marx defined capital as self-increasing value.A significant contribution to the development of theoretical issues of the essence and structure of enterprise management was made by Yu. Putyatin, O. Pushkar, O. Tridid, Z. Arabyants, L. Berg, V. Udodov, V. Ponomarenko, E. Yastremska, V. Lutskovsky and others.

The purpose of the study is to generalize the theoretical foundations of the organization, to reveal the current practice of enterprise capital management, as well as to find directions for improving this work based on the systematization of existing proposals on this issue

Achieving the set goal involves solving the following tasks:

– to investigate the essence, meaning and value of capital in the economic activity of the enterprise;

– to lay out the main normative legal documents regarding the capital management of the enterprise;

– to provide a methodology for evaluating and optimizing the capital structure of the enterprise;

– to provide technical and economic characteristics of the enterprise SG LLC "Hliboprodukt";

– analyze the financial condition of the enterprise;

– to investigate the composition and structure of the enterprise's capital;

– to build an economic-mathematical model of effective management of the capital structure of the enterprise;

– propose directions for improving the enterprise's capital management based on the method of maximizing the level of projected financial profitability and on the criterion of minimizing the cost of capital and financial risks;

– propose approaches to improve the capital management system using foreign experience at the enterprise;

– to evaluate the effectiveness of implementation of recommendations and proposals.

The object of the study is the capital management process of the enterprise.

The subject of the study is the theoretical, methodical and practical aspects of optimizing the capital structure of the enterprise SG LLC "Hliboprodukt".

When writing the paper, the following research methods were used: logical generalization, analysis and comparison - to reveal theoretical provisions on determining the essence of the enterprise's capital and optimizing its structure; grapho-analytical and mathematical statistics - for researching the main trends of the enterprise's development, correlation analysis and grouping methods - for building an economic-mathematical model.

The information base of the study was the following legislative acts: Tax Code of Ukraine No. 2755-VI dated 02.12.2010, Law of Ukraine "On Joint Stock

Companies" No. 514-VI dated 02.03.2011, Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV dated 16.07.1999, Resolution of the CMU "On Approval of the Procedure for Submitting Financial Statements" No. 419 dated 28.02.2000, Law of Ukraine "On Insurance" No. 85/86 dated 07.03.1996.

The scientific novelty of the qualifying master's thesis consists in the systematization and generalized definition of the concept of "capital" based on the analysis of scientific sources, as well as the determination of scientific and methodological recommendations for improving the capital management system.

The practical significance of the work results lies in the possibility of using certain methods of optimizing the capital structure in order to improve the functioning of enterprises. All measures, after their research, will allow to effectively manage the capital of the enterprise and ensure its financial stability.

Implementation of the proposals and recommendations provided in the work will allow to find weak points in the financial activity of the enterprise. That will provide an opportunity to effectively manage the capital structure at the enterprise.

CHAPTER 1
THEORETICAL FUNDAMENTALS OF ENTERPRISE CAPITAL MANAGEMENT

1.1 The economic essence and value of the capital of the enterprise

With each new, high level of the country's economic development, there is a quantitative increase in social production, income and consumption and significant qualitative changes in the development of productive forces and society as a whole. The increase in the level of economic development of the country reflects a high degree of social division of labor - this is a process that causes the emergence of new business entities with specific economic functions and needs and complicates the interrelationships and interdependence of all elements in the economic structure of the country.

An objective assessment of the level of development achieved by the country and quantitative and qualitative changes in the process of production, exchange, distribution and consumption, conditions and results of social production that occurred in connection with this, has a special practical significance for the state as a business entity [1]. Capital in the process of its functioning ensures the interests of the state, owners and staff. This is connected with the active development of entrepreneurial activity, the formation of various forms of ownership of business entities of different organizational and legal status. In this regard, it is important to further study the economic essence of capital, its necessity and significance for enterprises, understanding the role of finance in the creation, accumulation and use of capital in order to create favorable conditions for the progressive development of the economy of Ukraine.

One of the key categories of corporate finance is capital. The financial activity of business entities is directly related to its formation and use. Therefore, consideration of the foundations of the financial activity of enterprises should begin with the study of the economic essence of this category.

The analysis of scientific literature shows that the category "capital" was and is the subject of study of many scientific schools and trends: physiocrats, representatives of the classical school, Marxists, neoclassicists, institutionalists, etc. That is, capital is a rather multifaceted category in its essence, and modern economic thought interprets it, while reflecting the development of humanity and the evolution of commodity production, the entire set of socio-economic relations. For the first time, a meaningful definition of "capital" was given by the founder of the classical English school of political economy, A. Smith, who proposed to understand it as "a collection of those stocks from which profit is expected and which are used for further production"[2]. In turn, K. Marx in the work "Capital" indicates that this is capital[4]: firstly, money received from the sale of a certain product purchased earlier, taking into account the additional value. At the same time, it is noted that capital is formed in the process of G - T - G, where the economic form at the beginning and at the end of the process is the same - money, but the difference is observed in the amount of money. Capital is money at stage G', which includes advanced value and additional value or profit; secondly, the self-increasing value or production relations that are formed during capitalist production, under which the capitalist exploits and monopolizes the unpaid labor of hired workers. For a more in-depth study of the "capital" category, it is advisable to generalize its retrospective interpretations in economic thought and conduct a comparative analysis with the understanding of its essence by modern economists. Since the first attempts to describe the concept of "capital" were made by the classics of economic thought, let's put the first emphasis on A. Smith's interpretation.

Table 1.1

The essence of capital at different stages of the evolution of economic theory

Supporters	Interpretation of the essence of capital
A. Smith [2]	The totality of those reserves from which profit is expected and which are used for further production of products.
Zh.B. Sei [8]	One of the fundamental elements that forms the productive assets, which, together with labor and land, creates the nation's goods and national wealth.
J. Stuart Mill [8]	The result of past work, expressed in the form of accumulated products intended for production.
K. Marx[4]	Self-increasing value, which brings additional value; such production relations, which are formed during capitalist production, under which the capitalist exploits and monopolizes the unpaid labor of hired workers.
O. von Behm-Bawerk[2]	A set of intermediate products of individual stages of the "indirect cycle" of production; emphasized the return on capital taking into account time.
I. Schumpeter[9]	Capital acts as an economic resource - "purchasing power" - to attract the necessary means of production, in order to ensure the scientific and technological progress of society.
I. Marshall[5]	A set of means of production that form its further prerequisite. The main property is the generation of income depending on the productivity of production factors and their relative rarity.
J. BatesClark[9]	A stock of production goods that are characterized by physical productivity and are the fundamental basis of production.
J. Maynard Keynes[6]	Such wealth that can bring income. Capital is formed from wealth, provided that the income exceeds the bank interest.
I. Fischer[5]	Discounted income from capital investment, which is formed regardless of the field and nature of activity.

From table 1.1. it can be seen that capital as a material resource was considered by such scientists as A. Smith, J.-B. Sei, J. Mill, O. Bembawerk, A. Marshall, J. Clark, etc. Capital, as a relationship and as a self-increasing value, was considered by K. Marx. At the same time, J. Schumpeter and I. Fisher directly took into account the economic component of capital and studied it not only as the owner's money, but also as an investment capable of generating income. Despite the diversity of scientists' opinions, it is possible to generalize the concept of "capital" as such wealth, which is created by appropriate labor, is used in the further production of goods and services, and brings income to its owner. Thus, the main feature of capital is the process of its circulation for the purpose of obtaining profit. This aspect was considered in the work of K. Marx's "Capital". In his opinion: "...the full form of the process under consideration is expressed as follows: G – T – G', where G' = G + ΔG, i.e. is equal to the sum of the initial advanced cost and some increment. This increase, or excess over the initial cost, is called surplus value. Thus, the initially advanced value not only remains in circulation, but also increases by the amount of additional value. And it is this movement that turns it into capital. The turnover of funds as capital is an end in itself, since the increase in value occurs within the framework of this movement. That is why the movement of capital knows no bounds»[4]. In the first half of the 20th century I. Fisher proposed the interpretation of capital as "comprehensive" and such that it includes all goods that bring income during a certain period of time regardless of the direction of application and field of activity [5]. That is, capital began to be considered as a basic and system-forming category of economic science and management practice at all levels of the functioning of the economic system. However, since the primary link of the economy is the enterprise (business entity), the capital category primarily reflects the peculiarities of its functioning in the process of social reproduction. The general definition of the essence of the economic category "capital" by modern economists is based on the specified provisions and provides an opportunity to develop one's own concepts for understanding this economic category and the capital structure of the enterprise. It is possible to provide quite a large number of modern definitions of capital, but let's focus on a few of them and take into account the experience of both domestic and foreign scientists (Table 1.2). This analysis makes it possible to understand that the category "capital" is, in its essence, quite broad, which confirms the large number of interpretations of its definition.

Table 1.2

Interpretation of the essence of the concept of "capital" by modern economists

Author	Definition
1	2
Abalkin L.I. [1]	That which can bring income, or resources created by people for the production of goods and services; a resource invested in a certain activity in the form of means of production;
Lipsits I.V. [2]	The entire industrial and technical apparatus, which was created from natural resources by mankind to expand the possibilities of production of the goods they need
Matselyukh N.P., Maksimenko I.A. [5]	advanced self-increasing cost; income-generating investments
Mocherny S.V. [5]	a system of economic property relations, under which tools of labor and other objects of property enable the owners of the tools to appropriate a part of other people's unpaid labor in all spheres of social reproduction
Kramarenko G.O., Black O.E. [3]	financial resources, with the help of which economic activity is organized, as well as which are used in the economic process for the purpose of obtaining profit
Katan L.I. [3]	this is a stock of goods in the form of money and capital goods, which are involved in the economic process as an investment resource and a factor of production for the purpose of obtaining income, the functioning of which in the economic system is based on market principles
Brew S., McConnell K. [1]	resources created as a result of the production process and used for the production of goods and services; goods that do not directly satisfy human needs: investments, means of production;
NitzanJ., Bickler Sh. [12]	such a set of quantitatively expressed financial funds and physical assets, which are characterized by certain qualities, aimed at obtaining income
Breley R., Myers S. [11]	a set of financial instruments released into free circulation and supported by real assets capable of generating income;
Blank I.A. [2]	The total value of funds, presented in tangible, monetary and intangible forms, invested in the formation of assets;
Balabanov I.T. [8]	That part of financial resources that is released into circulation in the form of money, as well as the amount of profit that this money brings

If we generalize and clarify this category, it can be noted that capital is an economic resource that is formed from the sources of formation and a set of heterogeneous fixed and circulating assets of the enterprise that have value, is subject to the owner, is aimed at production and is determined by the following characteristics: such as: turnover, profitability, riskiness and periodicity of use. It acts as a set of everything that has value: investment, labor, information, intellectual property, fixed and circulating funds, etc. - that is, what determines the process of economic activity of a market entity and forms the conditions for this process, as well as intermediate forms and the results of this activity. Capital, like any economic category, is determined by certain characteristics that significantly influence the production and economic activity of any business entity and reveal its deep meaning.

Such characteristics include [3, 5, 12]:

- capital is one of the main factors of production;
- capital, as a financial resource of the enterprise, is characterized by a certain level of profitability and level of risk;
- capital is the main source of generation of owners' well-being based on the level of profitability and risk;
- capital determines its own weighted average value, as well as the market value of the enterprise;
- the dynamics of capital change determines the efficiency of the enterprise's economic activity.

The given characteristics make it possible to form a number of functions of the enterprise's capital. G.O. Kramarenko and O.E. Chorna. define such as: financial function, production function, reproduction function; accumulation, investment and valuation function[48].

Prosolova S.P. and Vovchenko O.S. are limited to only three functions of capital, namely [9]: protective, operational and regulatory. In turn, Tereshchenko O.O. forms a wide list of functions of capital, which includes functions [10]: establishment, responsibility, protection, financing and liquidity, dividend management; property distribution, management and control, advertising function. Based on the above characteristics of capital, it is possible to specify its corresponding functions, which are listed in Table 1.3.

Table 1.3

Functions of enterprise capital

Function	Essence
Start function	Capital acts as a starting link in the initiation and conduct of business activities of the enterprise;
Warranty function	The capital of the enterprise acts as credit security for creditors. The size and structure of the capital affect the amount of losses that the enterprise can bear in a critical situation
Protective function	It includes ensuring the vital activity of the enterprise, financing activities and ensuring liquidity, ensuring independence from creditors;
Adjustment function	This function covers the formation of dividend policy, management and control over the activities of owners, formation of reserve funds and reinvestments, personnel policy, etc.
Representation function	Capital determines the degree of trust in the enterprise on the part of creditors, investors, customers and other counterparties

Some forms of capital determine the appropriate sources of financing. In this way, sources of financing are own or borrowed, that is, they are classified into own and borrowed capital (Fig. 1).

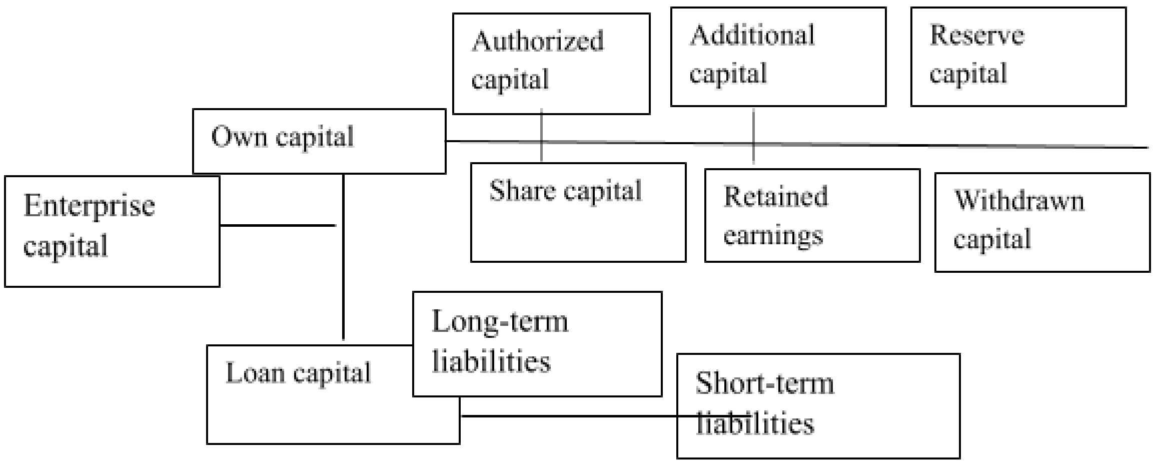

Fig. 1.1 Sources of capital financing of the enterprise

Equity is the sources contributed by the founders of the enterprise to finance its activities, the amount of reinvestments formed from the accumulated profit, as well as gift capital. In turn, own capital (own sources of financing) includes: statutory, equity, additional, reserve and withdrawn capital, as well as the amount of retained earnings. Borrowed (loan) capital is external sources formed from bank loans, bond loans, loans from financial companies, various types of payables, leasing, taxes, commercial papers, etc. They are divided into long-term liabilities and short-term liabilities. The specified sources of financing the company's activities form the basis for the formation of the capital structure and represent the total capital of the firm. Thus, equity is divided into four types. Authorized capital is the initial source of investment and formation of the company's property. Unlike the additional one, it provides regulation of property relations and management of the enterprise, its size cannot be less than the amount established by law. Additional invested capital is the amount by which the sale price of issued shares exceeds their nominal value. In total, the identified essential properties and features, structure, its forms, sources and functions lay the foundations for a deeper understanding of the content of capital. Reserve capital - the amount of reserves created in accordance with current legislation or founding documents at the expense of retained earnings of the enterprise. Reserve capital is assigned to cover unforeseen expenses, losses, and to pay the company's debts in the event of its liquidation. Remaining unused funds are carried over to the following year. Share capital summarizes the amount of funds of individuals and legal entities voluntarily invested in the form of share contributions in a business company in accordance with the founding documents for the implementation of production and financial activities. It reflects the totality of funds of individuals and legal entities placed in accordance with the founding documents for the implementation of economic and financial activities. In addition, shareholders may make additional share contributions on a voluntary basis. During the annual distribution of profit, according to the decision of the shareholders' meeting, dividends are accrued on mandatory and additional share contributions. Share capital is created mainly in agricultural enterprises, consumer societies and other cooperative formations. The withdrawn capital reflects the actual cost of purchased shares of its own issue or shares purchased by the company from its members.

It should be remembered that attracting loan capital is always associated with a certain level of risk. However, in addition to this, the increase in its value ensures an increase in profitability on invested funds. The formation of the capital structure is carried out under the influence of a complex of factors, which, with the exception of the initial supply of resources, also include the availability of sources of financial resources, the nature of responsibility for the use of resources, and fees for resources [7]. Under the conditions of reforming property relations, the study of the processes of financing the economic activity of joint-stock companies acquires special importance, since the main requirement of market relations is the financing of enterprises [6, p. 73].

Therefore,after analyzing a wide base of definitions of the category "capital" [1-6, 8-10], we can draw the following conclusions that, despite the variety of interpretations of capital, the main approaches - which determine its essence - remain relevant even today, namely: objectively - functional, socio-economic, monetary, time concept and capital investment; the main emphasis of researchers, both domestic and foreign, is on such characteristics of capital as its constant circulation and the income it brings; there is a difference in the research principles of domestic and foreign economists. That is, in foreign literature, "capital" is understood as a clearly unified category and researchers do not try to make corrections to already existing interpretations - the main goal is an in-depth analysis of previous studies. While domestic economists are trying to introduce their own understanding of this category into the definition. Based on the results of research on the functions of equity capital, it was established that domestic and foreign scientists distinguish such main functions as guarantee, regulatory, starting, representative and protective. These functions are already indirect and important for the effective functioning of the enterprise. The company's capital, in turn, is divided into its own and borrowed capital. An enterprise that uses loan capital has a higher financial potential for its development (due to the formation of an additional amount of assets) and the possibility of increasing the financial profitability of the activity, but to a greater extent it generates financial risk and the threat of bankruptcy.

1.2. Analysis of Ukrainian legislation on enterprise capital management

The current stage of the development of Ukraine's economy and its integration into the global economic space necessitates the search for new ways of functioning for domestic enterprises. The effectiveness of the activity of any business entity depends on the correct capital management strategy of the enterprise, since the financial result and condition depend on the ratio between own and borrowed resources. In this regard, the role of the correct recording of income in accounting and reporting is increasing. However, the modern regulatory framework of Ukraine, which relates to income accounting, is imperfect and contains many inaccuracies and contradictions. Normative information on the company's income by areas of use is intended, first of all, to provide such management functions as analysis, control forecasting of income. Legal information is contained in legislative acts of higher legal force, which include the laws of Ukraine regulating the activities of business entities in the field of financial, economic and labor relations.

Scientists consider four levels of such regulation:

1. the first (Laws of Ukraine, Decrees of the President of Ukraine, resolutions of the CMU);
2. the second (normative documents of the Ministry of Finance of Ukraine, State Committee of Statistics of Ukraine, State Treasury, DPA, NBU of Ukraine and other agencies that register with the Ministry of Justice of Ukraine);
3. the third (normative acts, instructions, methodical recommendations, instructions, letters of ministries and agencies);
4. the fourth (working documents forming the accounting policy in the enterprise [20, p. 28-30].

The Constitution of Ukraine defines and regulates the rights of authorities and management, which in turn ensures the regulation of financial relations between the authorities and the enterprise [25].

The field of taxation is under the control of state tax authorities and is regulated by special acts of tax law, among which the Tax Code of Ukraine adopted in November 2010 [40] is of the most significant importance for the enterprise. This code plays a great role in the company's activities. In particular, the Tax Code of Ukraine regulates relations that arise in the process of establishing, changing and canceling taxes and fees in Ukraine, defines an exhaustive list of taxes and fees that are administered in Ukraine and the procedure for their administration, taxpayers and fees, their rights and obligations ties, the competence of controlling bodies and the powers of their officials during tax control.

The Commercial Code is a normative document that regulates the activity of the enterprise from the beginning of its creation until the moment of its liquidation. This code discloses general principles of enterprise management and self-governance of the labor team, considers the mechanism of formation and use of enterprise property, defines the types of economic, economic and social activity of enterprises, fixes rights and responsibilities in the implementation of economic activity, regulates relations with other economic entities and the state.

In addition to the Civil Code of Ukraine, a number of laws of Ukraine and other legislative acts regulating civil-law relations are the source of legal support for the financial activities of enterprises. Among them, the laws of Ukraine "On joint-stock companies" [49], "On securities and the stock exchange" [54], "On banks and banking activities" [50], "On privatization of property of state-owned enterprises" [56], " About pledge" [52], "About lease of state property" [56], "About wages" [55], "About accounting and financial reporting" [51].

In the event of non-compliance or improper compliance with legislative and regulatory acts, the enterprise bears responsibility in accordance with current legislation. Illegal actions of officials, which are administrative offenses and crimes in this area, are reflected in the Criminal Code (CC) of Ukraine [26].

The Criminal Code of Ukraine provides for criminal liability for tax evasion, fraud with financial resources, violation of the procedure for issuing securities, conspiracy to fix prices, concealment of bankruptcy, fictitious bankruptcy, etc.

The accounting activity of the enterprise is regulated by the National regulations (standards) of accounting [12], which are based on international accounting and reporting standards. These National regulations (standards) determine the purpose, composition and principles of preparation of financial statements and requirements for recognition and disclosure of its elements.

The main regulatory accounting documents are [31–36, 43–46, 51, 53]:

– Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated July 16, 1999 No. 996-XIV;

– National regulation (standard) of accounting 1 "General requirements for financial reporting" dated June 27, 2013 No. 627;

– National regulation (standard) of accounting 2 "Reports on financial results (Report on total income)" dated June 27, 2013 No. 627;

– National Accounting Regulation (Standard) 3 "Cash Flow Statement" dated June 27, 2013 No. 627;

– National regulation (standard) of accounting 4 "Report on equity" dated June 27, 2013 No. 627;

– Regulation (standard) of accounting 15 "Income" dated March 31, 1999 No. 290;

– Regulation (standard) of accounting 16 "Expenses" dated December 31, 1999 No. 318;

– Regulation (standard) of accounting 17 "Income tax" dated December 28, 2000 No. 353;

– Regulation (standard) of accounting 31 "Financial expenses" dated April 28, 2006 No. 415;

– Regulations on the form and content of settlement documents dated November 4, 1999 No. 213;

– The procedure for registration and bookkeeping of settlement transactions dated August 28, 2013 No. 417.

The characteristics of these documents will be presented in the form of table 1.4:

Table 1.4

Regulatory and legal documents regarding the functioning of the enterprise's capital [31–36, 43–46, 51]

	Name of the document	A brief description
	2	3
1.	Law of Ukraine "On Accounting and Financial Reporting" dated July 16, 1999 No. 996-XIV, last version dated May 12, 2011	The legal principles of regulation, organization, accounting and financial reporting in Ukraine are determined. This law applies to all legal entities created in accordance with the legislation of Ukraine, regardless of their organizational and legal forms and forms of ownership, as well as to representative offices of foreign economic entities
2.	National accounting regulation 1 "General requirements for financial reporting" dated June 27, 2013 No. 627	he content and form of the Balance Sheet and the general equirements for the disclosure of its articles are defined. The orms of this Regulation apply to the Balance Sheets of nterprises, organizations and other legal entities of all forms f ownership.
3.	National regulation (standard) of accounting 2 "Reports on financial results (Report on total income)" dated June 27, 2013 No. 627	he content and form of the Report on financial results, as vell as the general requirements for the disclosure of its rticles, are defined. The norms of this Regulation apply to eports on the financial results of enterprises, organizations nd other legal entities of all forms of ownership.
4.	National Accounting Regulation (Standard) 3 "Cash Flow Statement" dated 06/27/2013 No. 627	he content and form of the cash flow report and the general equirements for the disclosure of its articles are defined. The orms of this Regulation (standard) apply to cash flow reports f enterprises, organizations and other legal entities of all orms of ownership.
5.	Accounting regulations (standard) 10 "Receivables" dated October 8, 1999 No. 237	he methodological principles of the formation of information bout receivables in accounting and its disclosure in financial tatements have been determined. It is applied taking into ccount the features of assessment and disclosure of nformation regarding receivables established by other rovisions of accounting.
6.	Accounting regulations (standard) 15 "Income", dated November 29, 1999 No. 290	Methodological principles of formation in accounting of nformation about the company's income and its disclosure in inancial reporting are determined. The norms of this Regulation (standard) are applied by enterprises, organizations nd other legal entities regardless of the forms of ownership.

7.	ccounting regulations standard) 16 "Expenses" dated December 31, 1999 No. 318	Methodological principles of formation in accounting of nformation about enterprise expenses and its disclosure in inancial reporting are determined. The norms of this Regulation are applied by enterprises, organizations and other egal entities regardless of the forms of ownership.
8.	rocedure for registration and ookkeeping of settlement ansactions dated August 28, 013 No. 417;	pplies to accounting books of settlement transactions used y entities of entrepreneurial activity when making ettlements in the sphere of services
9.	Regulations on the form and ontent of settlement ocuments dated November 4, 999 No. 213;	We establish the purpose and procedure of keeping accounting ccounts for generalization by the method of double entry of nformation.

10.	Resolution on Amendments to Certain Legislative Acts of Ukraine on Authorized Capital dated September 21, 2010 No. 2539-VI	The finalization of the said draft law was determined, taking into account the comments and suggestions of the legal subjects of the legislative initiative.
11.	Resolution on increasing the authorized capital of the State Mortgage Institution dated October 11, 2010 No. 912;	An increase in the authorized capital of the state mortgage institution in the amount of 2000000000 (two billion) hryvnias due to revenues from state borrowing was determined.

In addition to external sources of regulation of the company's activity (Constitution, codes, laws and regulations), the organization of the organization's internal work is regulated by internal regulatory documents and orders. Any enterprise acts on the basis of its own charter, that is, a certain set of mandatory rules that regulate its individual activities, relationships with other economic entities. The charter of the enterprise is approved by the owner (or owners) of the property - the founder (or founders) of the enterprise. Features of the company's activity (which may also be specified in the charter) include: provisions on labor relations arising on the basis of membership; powers, procedure for establishing the board of the enterprise; trademark etc. The charter of the enterprise must contain information about its name and location, purpose and object of activity, the size and procedure for the formation of statutory and other funds, the procedure for the distribution of profits and losses; about management and control bodies, their competence, about the conditions of reorganization and liquidation, as well as other information related to the peculiarities of the organizational form. The statute may contain other information that does not contradict the law.

Thus, after reviewing the regulatory documents that regulate the functioning of the enterprise's capital and the procedure for the production, compilation and use of forms of primary documents, it can be concluded that the regulatory framework is applied at enterprises of various forms of ownership, and controls the correctness of economic activity. However, there are many issues that need to be improved.

1.3 Theoretical foundations of capital assessment and its optimization at the enterprise.

Every pizza enterprise has a need for sources of own capital formation to finance its financial and economic activities. Attracting from one or another source of formation is associated for the enterprise with relevant costs, such as the payment of dividends to the shareholders of the enterprise, etc. In other words, the enterprise bears reasonable costs for maintaining its economic potential. Therefore, naturally, the task of the company's management is precisely to reduce the level of these costs at the same time as increasing the profitability of own capital.

Without a real assessment of equity, it is impossible to ensure the reliability and, accordingly, the objectivity of the reported indicators, even when the accounting technique is impeccable. In particular, carrying out a capital assessment is necessary for business value management, when buying and selling an enterprise as a whole or a share, a package of shares when securing collateral with own shares, additional issue, restructuring, merger, takeover, etc. Equity assessment is not only a basic indicator of the formation of financial investment efficiency, but can also act as a criterion for making managerial decisions in the field of enterprise risk management[20]. Capital assessment is carried out in the case of share issuance, share repurchase, share issue at the expense of dividends or assessment of the amount of profit capitalization, making a property contribution in the form of shares, other securities or a property complex, preparing for the sale of bankrupt enterprises or enterprises with insufficiently liquid shares, preparation for the sale of privatized enterprises (including the sale of packages of their shares that remain in state ownership), justification of rehabilitation options bankrupt enterprises, obtaining more complete information about the financial state and prospects of the enterprise when preparing financial statements, etc. [20].

In foreign sources, equity is considered to be the net worth of the enterprise. And although it is found by calculation as the difference between the value of the balance sheet and all the company's liabilities, this amount can be considered financially identical to equity[18].

In the method of property valuation, approved by the Resolution of the Cabinet of Ministers of Ukraine dated December 10, 2003, No. 1891, it is determined that the net value of the property is determined by formula 1.1.

$$ChV = (\mathrm{NA} + \mathrm{OA} + \mathrm{VMP}) - (\mathrm{ZNV} + \mathrm{DZ} + \mathrm{PZ}) \quad (1.1)$$

where ЧВ is the net value of the enterprise;

NA – non-current assets;

OA- current assets;

VMP - costs of future periods;

emergency- ensuring the following expenses;

DZ– long-term liabilities;

software– current liabilities.

It is necessary to distinguish the concept of "value of capital" from the concept of "value of the enterprise as a whole as a subject on the capital market". The first option refers to some specific characteristic of the source of funds. The cost of capital is quantitatively expressed in the relative annual costs of servicing its obligations to owners and investors, that is, it is a relative indicator that is calculated as a percentage. Of course, such a characteristic can be provided for a separate source and for their aggregate, here the concept of the average cost of capital is manifested. In the second, we are talking about various absolute value indicators, for example, the amount of equity in one or another assessment (balance sheet or market). Both of these concepts are quantitatively related. If the enterprise participates in an investment project, the profitability of which is lower than the price of capital, then the price of the enterprise decreases after this project [24]. Thus, the price of capital is a key element of the theory and practice of investment decision-making.

In the system of theoretical foundations of the formation and management of own capital, the concept of its value plays an important role. In the domestic financial literature, there are different interpretations of the essence of the value of the company's equity capital. In particular, the concepts "price of equity capital", "value of equity capital", "costs of equity capital", "costs of equity capital", "costs of capital financing" and others occur.It should be noted that there are different methods of determining the value of equity capital, and the information they carry for shareholders, investors, creditors, insurance companies, tax inspectorates and company managers is quite contradictory and ambiguous (Fig. 1.2).

The result of the assessmentcapital of the enterprise using generally accepted methods in business is always obtaining such an estimate of the company's equity capital, which most often does not coincide with the value of its equity capital, which is indicated in the accounting balance sheet of the enterprise. The fact is that the latter is decisively affected by such circumstances as depreciation norms (which, for example, may not correspond to the actual rates of physical, economic, functional and technological wear and tear of the relevant fixed assets), the time of placing depreciated assets on the balance sheet, depreciation methods . Previously capitalized profits may be overstated or understated due to the use of different inventory accounting methods in the cost of production.

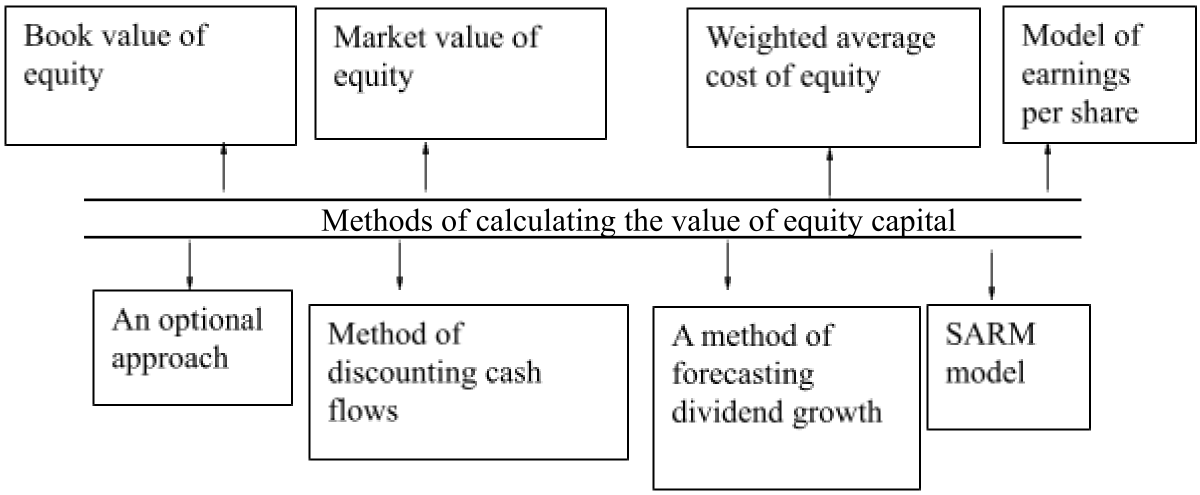

Fig. 1.2. Methods of calculating the value of the company's own capital

Finally,with increased inflation, the value of the book value of equity, calculated as the difference between the residual book value of assets and the value of liabilities, may be affected by revaluation of fixed assets taking into account inflation indices, as well as the time and regularity of its implementation. Book value of equity is the simplest method of calculating the value of equity.

Its method consists in the fact that equity is valued at its initial cost. If we take into account the requirements of accounting, then when entering the balance sheet of the enterprise, equity is valued at the initial cost (at the value it had at the time of creation or issue). Over time, the real value of equity may differ from its original value.

But despitethis negative feature, it is the balance sheet estimate of the amount of equity capital that is used in the company's balance sheet and other forms of reporting.

Balancethe cost of equity can be calculated using the following formula 1.2.:

$$VKb = Ab - 3b, \quad (1.2)$$

where VKb is the book value of equity;

Ab – book value of assets;

3б – book value of liabilities.

The advantages of this method of calculating the value of equity capital are, first of all, the ease of calculation and a reliable basis for calculations, since this basis is the data of the company's balance sheet, the stability of the indicators used for calculation over time. It should be noted that the disadvantages of the method of calculating the value of equity capital are that it is static, there is no record of future expectations, and it does not reflect the real assessment of the enterprise's equity capital.

It is worth distinguishing between the concepts of "book value of equity" and "market value of equity." The book value of equity is reflected on a certain date in the first liability section of the balance sheet. In most cases, the market value can differ significantly from the balance sheet value, and this fluctuation can be carried out in different directions. This interpretation is confirmed by the fact that in the company's balance sheet, the size of the authorized capital is calculated based on the nominal value of the shares, and their market value, and therefore the market assessment of the authorized capital, can be significantly higher.

The method of calculating the approximate market value of authorized capital is to calculate it in actual (or average) market prices of issued shares. The calculation is carried out according to formula 1.3.:

$$\mathrm{CKp} = \mathrm{Pa} \cdot \mathrm{Nand} \qquad (1.3)$$

where CKp is the market value of the company's authorized capital;

Ra is the actual market price of shares at the moment;

Na is the number of shares issued by the company.

The calculation of the value of equity at market prices will be more informative and useful for shareholders, investors, creditors, suppliers and employees of the enterprise. So, the market value of equity can be calculated using the following formula 1.4:

$$VKr = \mathrm{Ar} - \mathrm{Zr9} \ (1.4)$$

where VKr is the market value of the amount of equity capital;

Ar– the market value of the company's assets;

Zr– the market value of the company's liabilities.

Therefore, the application of the market approach in the case of equity assessment is possible in the following cases: in the presence of complete information about the financial and economic activity of the enterprise, in the case of active circulation of the enterprise's shares on the stock exchange; in the presence of complete information about the corporate policy of the evaluated company and its development prospects.

As for the advantages of this method of calculating the value of equity capital, it reflects the current real practice of buying, it is a completely market method; it reflects the real assessment of the equity capital of the joint-stock company; it is based on reliable information. This method of calculating the value of equity has its drawbacks, namely: it is based on previous indicators, there is no account of future expectations; hard-to-reach data for calculations. Calculation of the market value can be implemented only if there is a developed securities market and statistics about it. There is neither one nor the other in Ukraine yet. In addition, the number of companies that list their securities on the market is also very small. Nevertheless, understanding the financial mechanism of equity valuation is of unconditional interest to entrepreneurs, businessmen and investors of any level.

Onin our opinion, the book value of equity does not reflect its real price. The price, which is calculated on the basis of economic calculations, gives us a real reflection of the size of the company's equity capital, which is important for all those interested in the reliability of equity assessment results: shareholders, investors, creditors, suppliers, employees of insurance and tax organizations, etc. However, it should be noted that the market value is much more difficult to work with. First, unlike the book value, which is easy to calculate and verify, since there are always supporting documents in the accounting, the market value is subjective. Secondly, if the book value is stable in calculated values, then the market value, on the contrary, has very variable values. Therefore, the book value is much easier to use in practice, for example, when planning the structure of sources. Yes, the market value, in contrast to the balance sheet value (which distorts the real value of the volume and value of equity capital due to the fact that it determines the true income of the enterprise, which can be obtained from the sale of its securities on the market[61].

First of all, we will consider the method of calculating each basic element of the assessment of the value of the equity capital of a joint-stock company. In our opinion, such an element of assessing the value of equity capital of joint-stock companies, as the value of operating equity capital, has a fairly stable and reliable basis for calculation. Since the basis of this calculation is the current reporting indicators of the company's work and balance sheet data. In this case, we calculate the value of operating equity as the ratio of the product of the net profit paid to the owners of the enterprise in the process of its distribution for the reporting period to the average amount of the enterprise's equity capital in the reporting period.

Accordingly, the value of equity used in the forecast period is determined by formula 1.5.:

$$VKpp= VKpp \cdot Exodus \quad (1.5)$$

where VKpp is the value of used equity in the forecast period, %;

Izv– projected growth index of payments from net profit.

The cost of attracting additional capital through the issue of preferred shares is determined taking into account the fixed amount of dividends, which is determined in advance. A feature of the process of determining the value of this element of capital is that the servicing of obligations for preferred shares largely coincides with the servicing of loan capital. But a significant difference in the nature of this service from the point of view of value assessment is that payments for the maintenance of loan capital belong to expenses and are therefore excluded from income taxation, and dividend payments on preferred shares are made at the expense of the net profit of the enterprise, that is, they do not have a "tax shield ". In addition to the payment of dividends, the costs of the enterprise also include emission costs related to the issue of shares, which are of a significant size.

Owners of preferred stock have an advantage over owners of common stock. Preferred shares are not limited by their maturity date. In the case of liquidation of assets, the owners of preferred shares receive money only after the demands of creditors are met. Whenever preferred stock is issued, there is always a set of rules to ensure that the holders are paid their dividends and that the company maintains a healthy financial position and liquidity. When a company raises funds by issuing preferred shares, it takes less risk. The market plays an important role in determining the dividend income from preferred shares. Income from similar preferred shares listed on the stock exchange is decisive here. The securities placement guarantor, after consulting with the company issuing the securities, will finally decide what conditions to issue [24].

Taking these features into account, we calculate the value of additional capital raised through the issue of preferred shares according to formula 1.6.:

$$BK_{\text{пр}} = \frac{Д_{\text{пр}}}{К_{\text{пр}} * (1 - \text{ВЕ})} * 100\% \qquad (1.6)$$

where VKpr is the value of equity capital, which is raised through the issue of preferred shares, %;

Dpr– the amount of dividends provided for payment in accordance with the issuer's contractual obligations;

Kpr– the amount of equity that is raised through the issue of preferred shares;

VE– expenses for the issue of shares, expressed as a decimal fraction in relation to the amount of the issue.

It should be borne in mind that the cost of attracting additional capital through the issue of ordinary shares is the most expensive, because the costs of its maintenance do not reduce the income tax base, and the risk premium is the highest, because this capital is the least protected in the event of bankruptcy of the enterprise.

We calculate the cost of additional capital, which is raised due to the issue of ordinary shares, according to formula 1.7.:

$$ВК_{па} = \frac{Ка * Д_{па} * ПВ_т}{К_{па} * (1 - ВЕ)} * 100\% \qquad (1.7)$$

where VKpa is the cost of equity, which is raised due to the issue of ordinary shares, %;

Ka– the number of shares that are additionally issued;

Dpa– the amount of dividends paid per common share in the reporting period, %;

Kpa– the amount of equity capital raised through the issue of ordinary shares;

PVm– rate of dividend payment, which is planned, expressed as a decimal.

Retained earnings are internally generated and are usually reinvested in the firm. The cost of the company's capital is also related to part of this source. The value of the retained earnings of the last reporting period must be estimated taking into account certain projected calculations. Since the retained earnings represent the capitalized part of it that will be used in the next reporting period, the price of the formed retained earnings is the planned payments for its amount to the owners to whom it belongs.

Suchthe approach to the assessment of retained earnings is based on the fact that if it was paid to the owners of capital when it was distributed according to the results of the reporting period, then they would invest it in any objects, would receive a certain profit, which would be the price of this invested capital. But the owners preferred to invest such profit in their own enterprise, therefore, its price is the amount of net profit planned for distribution in the future period for the part of the invested capital.

Taking into account this approach, the value of retained earnings is equal to the value of the operating equity of the enterprise in the planning period and is determined by the formula:

$$GNP = \mathrm{VKfp} \qquad (1.8)$$

where GNP is the value of retained earnings;

VKfp– the cost of the enterprise's operating capital

Therefore, when the value of operating equity in the planning period and the value of retained earnings in the same period are equal, when evaluating the weighted average cost of capital in the planning period, these elements of capital can be considered as a single final element, that is, included in the assessment with a single summarized specific weight.

The value advantages of retained earnings include:

- firstly, the speed of receipt of income from this source of financing is extremely high, since no additional operations for attracting funds, for example, such as when issuing shares, need to be carried out;
- secondly, this component of equity is much cheaper compared to others, since we have no emission costs;
- thirdly, retained earnings are safe due to the absence of the negative impact of information about the additional issue of shares, which can sometimes cause the market price of shares to fall, thereby causing the market value of the joint-stock company to fall;
- fourth, retained earnings are a source of domestic origin. When

dividends are deducted from net income, the remaining funds are mostly reinvested in the business.

It should be noted that the process of managing the value of retained earnings is primarily determined by the scope of its use - investment activity. Accordingly, the goals of managing this part of equity capital are subordinated to the goals of the company's investment policy and, accordingly, the rate of investment profit must always correlate with the level of the value of retained earnings

Therefore, taking into account the assessment of the value of individual constituent elements of equity capital and the specific weight of each of these elements in its total amount, an indicator of the weighted average value of equity capital of a joint-stock company can be calculated. To calculate the weighted average cost of equity capital, you must first determine the cost of capital from each source, then determine the share of each source in all equity capital, multiply the value of each source of equity capital by its share and add the resulting products. To calculate the share, the liability data of the balance sheet is most often used, but for a more accurate calculation, the market value of the shares should be taken as the basis. We calculate the weighted average cost of equity according to the formula:

$$\overline{\text{ВК}} = \sum \text{В}_{0e} * \text{ПВ}_{oe} \quad (1.9)$$

where Voe is the value of individual elements of equity;

PVOe– the specific weight of each of these elements in the total amount of own capital.

When calculating the weighted average cost of equity capital, it is necessary to make a decision about: whether to use the balance sheet assessment of individual equity capital elements or their market value in the calculation; whether to use in the calculation the structure of equity capital determined by the balance sheet, or the structure that the enterprise will have as a result of the adopted financing option.

Despite some conventionality and inaccuracy of the definition, the weighted average cost of equity has both theoretical and practical significance. Theoretically, knowledge of the current value of the weighted average value of equity capital and its dynamics by the company's management is necessary to understand the reasons for the formed and possible change in the company's position on the securities market as a result of making some decisions of a strategic nature. In his practical activities, the financial manager uses the weighted average cost of equity to quickly assess the market value of the enterprise, and by varying the composition of the sources, he can determine the most effective composition according to the criterion of the maximum market value of the enterprise. According to the theory of corporate finance, the main goal of enterprise management is to maximize the market value of the enterprise. The maximization of the market value of the enterprise is equivalent to the minimization of the weighted average cost of equity capital. In other words, the minimization of the weighted average cost directly follows from the criterion of effective enterprise management. Hence, in the process of optimizing the structure of own capital according to this criterion, it is necessary to proceed from the possibilities of minimizing the weighted average cost of own capital. Thus, the question of the value of equity capital should be given great importance, directing the main attention to the formulation of the principles of calculation of this indicator in order to form its optimal structure, since the value of equity capital is used in the process of making both current and long-term financial decisions.

The practice of business evaluation shows that the attractiveness of investing in the equity capital of a specific business entity is mostly determined by the amount of transaction costs per unit of this capital, and dividends are only a minor item of costs in their total amount. The calculation of the transaction costs of the enterprise allows to reveal the cost of the process of creating normal conditions for the functioning of production, which, in turn, provide the main income for the investor. Based on this, you can write down the formula for calculating the price of the company's equity capital:

$$ВК = \frac{ТВ_{ВК}}{ВК} \quad (1.10)$$

where VK is the price of equity in the reporting period;

TVvk– transaction costs of own capital;

VK– average amount of equity capital;

It remains for us to determine which transaction costs should be attributed to the operation of the company's equity capital.

Table 1.5

Classification of transaction costs of the enterprise's own capital.

Type of transaction costs	Articles of expenditure
Costs of searching, processing and saving information	– advertising expenses; – periodical subscription; – maintenance of the marketing department; – payment for the services of trade agents; – travel expenses
Negotiation costs	– costs for signing contracts (representative); – travel expenses
Specification costs and protection of property rights	– licensing costs; – court and arbitration costs
Maintenance costs and image formation	– production of product samples; – warranty service; – formation of the image of the company
Opportunistic costs	– expenses for control organization
Costs of politicization	– dividends; – expenses for holding shareholders' meetings
Impact costs	– taxes; – contributions to public organizations
Expenses for the specification of property rights	– expenses for the protection of property rights
"The price of obeying the law"	– expenses for ensuring legal legitimacy; – expenses for carrying out activities within the limits of the law

The advantages of this method of calculating the value of equity capital are as follows: firstly, the ability to avoid splitting the capital into separate components - preferred, ordinary shares and retained earnings (this means that there is no need to determine the price of each element); second, in the absence of dividends, the price of capital will not be zero, which is more true.

Regarding the disadvantages of this technique, it reflects the equity in statics, without taking into account its movement at the stages of the cycle. However, it allows you to fully assess the risk of investing in the equity capital of joint-stock companies, which is of great importance for any investor nowadays. Based on this, it is possible to agree with the possibilities of using this method of determining the value of the company's equity capital.

The method of discounting cash flows has become widespread in foreign valuation practice. It is used in case of forecasting of changing incomes. The rate of future cash flows (discount rate) reflects the minimum acceptable return on invested capital, at which the investor will prefer participating in the project to an alternative investment of the same funds in another project with a justified degree of risk. In general, this approach has more weight than other approaches if: a small or medium-sized business is evaluated; available information is enough to build a forecast of expected income; the company's income is stable and positive; labor and intangible assets have a significant share in the company's profit.

Estimating the equity capital of enterprises is a rather ambiguous methodical problem, the solution of which must take into account not only the world experience, but also the state of the Ukrainian economy and the specifics of the management of domestic joint-stock companies. The price of equity capital must be calculated to determine the level of financial expenses of the enterprise in order to maintain its economic potential and to manage the structure of equity capital. In this case, the ratio between different sources of equity capital formation is determined based on the minimum price of its various elements. Therefore, each business entity should strive to reduce the costs of attracting each unit of equity capital, and accordingly, its value.

Therefore, the evaluation of equity capital is quite a complex process. As we can see, the main methods of equity valuation, which are successfully used all over the world, either cannot be used in Ukraine, or have many limitations. The main problem is the lack of reliable information for calculations. Nevertheless, understanding the financial mechanism of evaluating the equity capital of enterprises is of unconditional interest for entrepreneurs, businessmen and investors of any level, all methods eventually lead to different results (that is, all available methods are only estimation).

We believe that the search for the most reliable methods of estimating the value of equity capital should be conducted regularly, since the conditions and the information base that can be used for this are constantly changing. Priority should be given to valuation methods that most closely approximate equity valuation to real market conditions.

Summarizing the above, it should be noted that the assessment of equity is a very complex and responsible process. Because more approaches and methods will be used in the evaluation process, it is more likely that the final subjective evaluation will be an objective reflection of the value of the company's equity capital. It should be remembered that the priority in choosing one or another approach depends on the specific situation.

CHAPTER 2
CAPITAL MANAGEMENT OF THE ENTERPRISE ON THE BASIS OF DIAGNOSTICS OF THE CAPITAL STRUCTURE OF "HLIBOPRODUKT" LLC

2.1. Technical and economic characteristics of SG "Hliboprodukt" LLC

Agricultural Limited Liability Company "Hliboprodukt" was created on the basis of the Law of Ukraine "On State Registration of Legal Entities and Individual Entrepreneurs", "On Business Partnerships", the Civil Code of Ukraine, the Economic Code of Ukraine and other legislative acts of Ukraine. The identification code of the legal entity is 31003855.

The purpose of the creation of the Company is to obtain legal income by fulfilling the tasks set before it to satisfy the needs of legal entities and citizens in the products, goods and services created with the aim of obtaining profit and its further distribution among the members of the Company. To achieve this goal, the company strives to provide physical and legal individuals with high-quality products. The main types of activities carried out by the Company include, but are not limited to, the following activities: cultivation of grain crops (except rice), leguminous crops and oilseeds, breeding of dairy cattle, breeding of horses and other animals of the equine family, breeding of sheep and goats, auxiliary activities in plant breeding, auxiliary activities in animal breeding, trucking transport

The scope of activity of SG LLC "Hliboprodukt" is:

- conducting agricultural production;

- production, procurement, processing, storage, transportation and sale of agricultural products both of own production and purchased from other producers;

- wholesale, retail and commission trade in agricultural products, processing products both of own production and purchased from other manufacturers, consumer goods, including food products, food additives;

- supply and installation of technological equipment for the production and processing of agricultural products, means of small mechanization, spare parts for agricultural machinery, agricultural equipment, tools, vehicles, herbicides, fertilizers, seeds, breeding, working livestock and poultry, animal feed, veterinary drugs, zootechnical means and other goods and material values of agricultural purpose;
- provision of agrotechnical and other services to residents of rural settlements, peasant (farming) farms, agricultural and other enterprises and organizations;
- manufacture, implementation, repair of small agricultural machinery, tools, small inventory, household items;
- provision of consultations on agro-technical, zoo-veterinary and economic issues;
- implementation of foreign economic activity in accordance with the listed directions in accordance with the legislation of Ukraine

The company has an independent balance sheet, current account and foreign currency account in JSC "Privat Bank", which are approved by the company and a seal with its name. It is an independent economic object with the rights and obligations of a legal entity, it has the right to engage in economic activity based on its goals and objectives, to draw up contracts, to bear responsibility according to its duties.

The enterprise operates on the principles of full economic settlement, self-financing and self-employment, provides social development and stimulation of employees at the expense of accumulated funds, bears full responsibility for the results of its own economic activity and the fulfillment of its obligations to suppliers, as well as to the labor team in accordance with current legislation .

In its activities, the agricultural enterprise occupies a worthy niche and has a number of competitive advantages that allow it to strengthen its presence on the market, constantly replenishing warehouse stocks with materials for which the demand is particularly high. The long-term goal of the enterprise is to expand production, attract additional qualified personnel. This will allow the organization to reach a new level of customer service, accept more orders and earn more profit. The property of the enterprise consists of its fixed assets and working capital, as well as other tangible assets, the value of which is reflected in its independent balance sheet and belongs to it by the right of ownership or full economic ownership, use and disposal.

The property of the enterprise consists of fixed assets and working capital, as well as other values, the value of which is reflected in the balance sheet of the enterprise.

The sources of enterprise property formation are:

1. statutory fund;
2. income received by the enterprise from economic activity;
3. loans from banks and other creditors;
4. share contributions and deposits;
5. other sources not prohibited by current legislation

The enterprise records all its activities, monitors the progress of production of products and services, conducts operational accounting and statistical reporting in accordance with the procedure established by law.The calculation of the cost of the provided services is carried out in accordance with the current legislation.

The number of employees is 28 people (director, foremen, chief accountant, deputy accountant, agronomist, drivers and auxiliary workers.

An essential prerequisite for the growth of labor productivity and production efficiency is the stability of the personnel composition.

Table 2.1

The number of employees of SG LLC "Hliboprodukt" for 2021

Name of indicators	For the period since the beginning of the year, persons	
	That's all	of them are women
The average registered number of full-time employees	27	H
Employees are accepted	4	-
of them to newly created jobs	-	H
Employees left	2	-
of them for reasons:		
changes in the organization of production and labor (reorganization, reduction in the number or staff of employees)	-	-
staff turnover (at one's own will, by agreement of the parties, violation of labor discipline, etc.)	2	-
The registered number of full-time employees at the end of the reporting period	28	4

The production and management structure of the enterprise is a linear-functional structure, which increases the efficiency of managing the enterprise's activities, ensures the clear work of each division and the organization as a whole thanks to a rigid system of connections [33], and also contributes to the relatively quick implementation of management decisions.

Table 2.2

Crop harvest for 2021

The name of agricultural crops	Line code	Harvested area (ha)	Production volume (ts)
Grain and leguminous crops - that's all	0030	1026.67	31,388.00
Winter wheat	0050	1011.72	30,858.00
Barley is hot	0140	14.95	480.00

According to table 2.1. the largest volume of harvesting was wheat, this is due to the fact that the enterprise SG LLC "Hliboprodukt" uses high technologies for growing winter wheat and barley and uses one of the best varieties available on the market of agricultural crops.

Therefore, the main purpose of creating an enterprise is the implementation of economic activities aimed at obtaining. The main type of economic activity is the cultivation of grain crops (except rice), legumes and oilseeds.The number of employees as of December 31, 2021 is 28 people, and we can conclude that the turnover of personnel is not high enough, this is due to the unstable situation and high level of unemployment in the Izyum district.

2.2. Analysis of the financial status of the enterprise SG LLC "Hliboprodukt".

Satisfactory financial condition means stable solvency, sufficient supply of own working capital and their effective use with economic expediency, clear organization of calculations, availability of a stable financial base. Unsatisfactory financial condition is characterized by inefficient allocation of funds, their mobilization, unsatisfactory willingness to pay, overdue debts to the budget, supplier and bank, insufficiently stable potential financial base due to unfavorable trends in production, incorrectly selected. The main sources of information for in-depth analysis are:

1. balance sheet of the enterprise (form No. 1);
2. report on financial results (form N 2);
3. cash flow report (form N 3);
4. report on equity (form N 4);
5. notes to the annual financial statements (form N 5);
6. report on the availability and movement of fixed assets, depreciation (depreciation) (form N 11-O3);

7. examination of technological innovations of an industrial enterprise (form N 1-innovation);
8. report on financial results and receivables and payables (form N 1-B); * labor report (form N 1-PV);
9. report on the state of working conditions, benefits and compensation for work with harmful working conditions (form N 1-PV (working conditions));
10. report on the use of working time (form N 3-PV); *
11. other information necessary for qualitative analysis and identification of production reserves [1]

In order to evaluate the financial condition of the enterprise, we will analyze in detail the indicators of the property condition of the enterprise, financial stability, profitability, business activity, liquidity, solvency, indicators of the financial activity of the enterprise.

Assessing the property status of the enterprise, first of all, we will analyze the amount of economic assets at the disposal of the enterprise. This indicator provides a generalized cost estimate of the assets on the company's balance sheet. This is an accounting assessment that does not coincide with the total market assessment of the company's assets. An upward trend is being followed, so as of December 31, 2019, the company's assets amounted to 6,680.5 thousand. hryvnias, then as of 12/31/2020 -6,888 thousand hryvnias, and in 2021 7,919.1 thousand hryvnias, as we can see, there has been an increase in two years, this indicates that the property potential of the enterprise is increasing.

We will analyze the coefficients of wear, suitability, and disposal of fixed assets of SG "Hliboprodukt" LLC. The depreciation coefficient characterizes the share of the cost of fixed assets that is written off for production costs in previous periods, and the suitability ratio shows what part of the fixed assets is suitable for operation in the process of economic activity.

Table 2.2

Condition of fixed assets of SG LLC "Hliboprodukt"

Indicators	2019	2020	2021	absolute deviations	Relative deviation
Depreciation rate	0.81	0.80	0.78	0.01	0.98
Suitability factor	0.15	0.18	0.37	0.19	0.48

At the enterprise, we can observe a positive trend, because the wear rate is decreasing and is relatively small, compared to the wear and tear of fixed assets on average in Ukraine, accordingly, the serviceability rate is increasing. Let's analyze how liquid the balance sheet of SG LLC "Hliboprodukt" is (Table 2.3.)

Table 2.3

Liquidity analysis of the balance sheet of the enterprise SG LLC "Hliboprodukt"

Assets	2019	2020	2021	passive	2019	2020	2021	Payment surplus (+), deficit (-)		
								2019	2020	2021
A1	5448.5	5165.5	4809.1	P1	5245.6	5414.4	5581.6	202.9	248.9	772.5
A2	1232	1722.5	3110	P2		-	-		1722.5	3110
A3		-	-	P3	1434.9	1473.6	2337.5	1434.9	1473.6	2337.5
A4		-	-	P4		-	-	-		
Balance	6680.5	6888	7919.1	Balance	6680.5	6888	7919.1			

If the inequality A1 > P1 is fulfilled, then this indicates the solvency of the enterprise at the time of drawing up the balance sheet. The enterprise has enough to cover the most urgent obligations absolutely and the most liquid assets. If the inequality A2 > P2 is fulfilled, then quickly realizable assets exceed short-term liabilities and the organization may be solvent in the near future, taking into account timely settlements with creditors, receipt of funds from the sale of products on credit. If the inequality A3 > P3 is fulfilled, then in the future, with the timely receipt of cash from sales and payments, the organization may be solvent for a period equal to the average duration of one turnover of working capital after the balance sheet date. The fulfillment of the first three inequalities automatically leads to the fulfillment of the condition A4 < P4. It indicates compliance with the minimum condition of financial stability of the organization, the availability of its own working capital.The balance is considered absolutely liquid if: A1 ≥ P1; A2≥ P2; A3 ≥ P3; A4 ≤ P4. Therefore, we can conclude that the balance sheet of SG LLC "Hliboprodukt" is not liquid.The efficiency of the enterprise's activities in the conditions of the market economy determines its ability to survive financially, to attract sources of financing and to use them profitably.To analyze the financial economic activity of the company's profitability, let's take information for three years.

Table 2.4

Dynamics of the company's profitability for 2019

The name of the indicator	Base period thousand hryvnias	Reporting period thousand hryvnias	Absolute deviation (+/-)	Relative deviation %
The value of the company's assets	6680.5	4919.4	-1761.1	13.31
Aggregate income	59245.7	40083.5	- 19162.2	-91
The amount of total income per UAH 1. value of assets	0.56	0.47	-0.09	1.04

Table 2.5

Dynamics of the company's profitability for 2020

The name of the indicator	Base period thousand hryvnias	Reporting period thousand hryvnias	Absolute deviation (+/-)	Relative deviation %
The value of the company's assets	6,680.5	6888	207.5	89.31
Aggregate income	20,238.1	59,245.7	39007.6	96
The amount of total income per UAH 1. value of assets	0.52	0.56	-0.19	1,074

Table 2.6

Dynamics of the company's profitability for 2021

The name of the indicator	Base period thousand hryvnias	Reporting period thousand hryvnias	Absolute deviation (+/-)	Relative deviation %
The value of the company's assets	6888	7919.1	1031.1	111.34
Aggregate income	41011.6	22,310.9	-18700.7	106.76
The amount of total income per UAH 1. value of assets	0.55	0.53	0.33	0.95

So, we can see what happened in 2019-2021 in the increase in the value of the company's assets. About the increase in the number of assets, which reflects the change in the economic potential of the enterprise, its financial weight on the market. The change in assets was observed in absolute and relative amounts. The increase in assets (taking into account the inflation index) indicates the strengthening of the economic potential of the enterprise and its weight on the market. If the increase in assets is provided by an increase in the volume of non-current assets, especially fixed assets and long-term financial investments, then this means that there is economic growth and increased activity in the market.

The reasons for the decrease in the level since 2014 were the difficult political situation and the great pressure on the enterprise from the inspection bodies. From these calculations, we can see that there was an increase in total income by UAH 1. during 2019-2020 compared to the base year, it increased by UAH 0.18. that is, by 4.93%. the increase in this indicator occurred due to an increase in the value of assets, namely an increase in fixed assets and intangible assets, which means that the company cannot sell products that are in warehouses. The increase in total income in both 2019 and 2020 was also affected, the reasons being the increase in retained earnings on some items in section 2 of current assets. As for 2019-2020, we can see, on the contrary, a decrease at the end of the reporting period, this is caused primarily by political and economic factors. So, we can say that the company's total income has decreased.

So, after analyzing the data in the table, we can say that there was an increase in costs in comparison with 2019-2021. This was influenced by the increase in the cost of sold products. The increase in the cost price was influenced by the increase in the production cost and the cost of goods sold.

Table 2.7

Dynamics and structure of enterprise costs for 2019-2021

The name of the indicator	2019		2020		2021		Absolute deviation	Relative deviation
	Amount of thousand hryvnias	Specific gravity %	Amount of thousand hryvnias	Specific gravity %	Amount of thousand hryvnias	Specific gravity %		
Cost of goods sold	67712.2	41.2	21149.3	54,19	39334.2	77,19	7766	185.9
Other expenses	798.3	10.9	213.7	11.42	919.4	6.49	-96	430.22
Other operating expenses	177.9	13.5	590.8	14.2	779.1	5.4	188.3	131.8
Total costs	68688.3	100	21,953.8	100	41,032.7	100	7858.3	747.92

Also, the increase in total costs is influenced by administrative costs. The increase in general economic expenses had an impact on the growth of administrative expenses. And the change in costs was influenced by the increase in sales costs. Other operating expenses in the reporting year increased by i.e. the specific weight almost did not change. In this way, the company allocates its resources almost correctly.

The analysis of the efficiency of the formation, use and distribution of the capital of the enterprise is carried out by means of the analysis of the composition of capital and its structure, changes in the components of capital and sources of its formation. The information sources for the analysis of the enterprise's capital are the enterprise's balance sheet (form No. 1). Based on the calculation of these coefficients, a conclusion is made regarding the financial stability, business activity (turnover) and profitability of the enterprise. Assets represent information about the placement of the enterprise's capital, its expression in specific property, products and its balances. The financial condition and stability depend to a large extent on the expediency of investing capital in the company's assets. One of the main elements of capital analysis is the calculation of the property condition indicators, which are presented in Table 1, among which the following should be distinguished: (Coverage ratio, quick liquidity ratio, absolute liquidity ratio, net working capital, solvency ratio, financing ratio, ratio of own working capital , coefficient of maneuverability of VC, coefficient of return on equity.

According to the table 2.8. At the present time, the largest share of financial resources at SG LLC "Hliboprodukt" is owned capital.

Table 2.8

Indicators of the financial condition of SG LLC "Hliboprodukt" in 2019-2021.

Indicators	Year					
	2019		2020		2021	
Own capital	5245.6	0.74	5414.4	0.78	5581.6	0.70
Loan capital	1434.9	0.20	1473.6	0.21	2337.5	0.29
That's all	6680.5	100	6888	100	7919.1	100

For creditors, this situation is positive, as it characterizes the reliability of the enterprise, confidence in the return of their investments, that is, the risk of non-repayment of debts, financial risk is reduced. However, the level of profitability for this strategy is usually not high. This situation is caused by the fact that in practice the efficiency of using borrowed funds is higher than own funds. General assessment of the capital structureSG LLC "Hliboprodukt"the company uses only its own funds and is independent of external creditors. However, this feature is negative, because funds are not attracted and are not directed for development, modernization of equipment and refinancing. Therefore, let's analyze the indicators characterizing the financial activity of the enterprise in more detail. The entire set of such indicators can be presented in the form of the following groups characterizing: solvency (financial stability); liquidity; business activity; profitability.

Table 2.9

Analysis of indicators of financial activity of SG LLC "Hliboprodukt"

No	Indicators	2019	2020	2021
1.	Coverage ratio	0.74	0.85	1.16
2.	Quick liquidity ratio	0.48	0.54	0.52
3.	Absolute liquidity ratio	0.03	0.05	0.09
4.	Net working capital, hryvnias	213.6	248.9	772.5
5	Solvency ratio (autonomy)	0.63	0.78	0.70
6	Funding ratio	2.15	3.67	2.38
7	Coefficient of provision of own working capital	0.11	0.14	0.24
8	The coefficient of maneuverability of the VC	0.02	0.04	0.16
9	Return on equity ratio	89.64%	88.12%	74.5%

The coverage ratio (current liquidity) shows the sufficiency of the company's resources that can be used to repay its current liabilities. At the company, the coverage ratio does not exceed 2, so it can be said that the company could not meet its current obligations on time.

The quick liquidity ratio reflects the company's ability to pay its current liabilities, subject to timely settlements with debtors.

Quick liquidity ratio – this indicator was within the normative value, and for every hryvnia of current liabilities, there are 1.01 hryvnias of highly liquid current assets.

The ratio of absolute liquidity shows how much of the company's debts can be paid immediately. The coefficient of absolute liquidity - this indicator is higher than the standard, it indicates problems in the company and indicates an ineffective strategy for managing financial resources. Cash funds, unlike other assets, do not participate in the production and sales process, they do not generate the company's income. Therefore, too high an indicator of absolute liquidity indicates that a significant part of the capital is diverted to the formation of unproductive assets.

The financing ratio is in the range of 0.67-1.5. A value below 0.67 indicates a high level of financial risks. A higher value during 2019-2021 may mean the presence of additional reserves for improving efficiency due to the attraction of borrowed funds

The coefficient of provision of own working capital of the company SG LLC "Hliboprodukt" is growing, because the value of the indicator increased from 0.11 in 2019. to 0.24 in 2021, during the entire period the ratio is higher than the norm and the company is able to finance all its current assets at the expense of equity. Dependence on loan capital is acceptable.

The coefficient of maneuverability of equity capital shows which part of equity capital is used to finance current activities, that is, invested in current assets, and which part is capitalized. This indicator has increased, therefore, the share of equity that is used to finance current activities, i.e. invested in current assets, has also increased.

The profitability of the company's equity is decreasing. If we compare this value with the profitability of financial instruments available to the owners, investing in SG LLC "Hliboprodukt" is more effective. The main factor in increasing profitability is the decrease in the amount of equity capital. Despite this, the company's net profit continues to decrease. In general, the efficiency of using equity capital is not high enough.

According to the study of the financial condition of the SG LLC "Hliboprodukt" for 2019-2021. it can be concluded that the enterprise is stable, works stably, expenses are covered by the profit received in full and on time, the enterprise is solvent, competitive, obligations are fulfilled on time and in full. Analyzing the indicators, we can see that the normative values exceed, that is, the company is absolutely financially stable, since the company has a large share of equity capital in the total balance sheet, and the share of loan capital is insignificant. It is necessary to increase additional reserves, this happens at the expense of attracting loan capital. However, the company needs to pay attention to the strategy of managing financial resources, this will ensure their rational use and allow optimizing the structure of own capital.

2.3. Analysis of the composition and structure of capital at the enterprise

The dynamics and peculiarities of socio-economic processes in Ukraine require an increase in the level of efficiency of the functioning of economic entities. Capital, which, along with other types of economic resources, ensures the production process, in market conditions turns into one of the main determining factors of economic efficiency. The rate of growth of production and national income of the country largely depends on their correct formation, size and rational composition and structure. In this regard, capital management of the enterprise based on the attraction and effective use of loan funds based on the analysis of its structure and composition is one of the important functions aimed at ensuring the achievement of high final results of the economic activity of each enterprise.

In order to substantiate the management of the capital of the enterprise, namely, using your tasks, analysis of directions, systems of indicators and methods used in the process of implementing analytical procedures, the existing methodical approaches to the analysis of the capital of enterprises were investigated. It is allowed to state that:

– the analysis of the company's capital is considered quite often as a component of the analysis of the company's financial condition or the first stage of optimization of the company's capital structure within the framework of the capital management system;

– as indicators for evaluating the capital of the enterprise, a large number of coefficients are offered that characterize the financial stability, solvency, business activity and profitability of the enterprise, which complicates analytical work and requires a clear distinction regarding the needs of assessing the availability and efficiency of the use of the enterprise's capital;

– disclosure of the essence of analytical procedures is often carried out on the basis of only theoretical provisions and does not take into account the peculiarities of the practical activities of trading enterprises;

– analytical functions are considered separately from the management process, which makes it impossible to establish a quality capital management system.

Taking into account the above and the fact that at the current stage of the development of the economy of Ukraine, the attention of the managers of most enterprises is focused on the value principles of management.

The purpose of the analysis of the enterprise's capital should be an objective assessment, establishing the cause of changes and finding potential opportunities (reserves) for improving the composition and structure of the enterprise's capital, increasing the efficiency of its use to ensure sustainable economic growth, value and cost of the enterprise, as well as developing measures for their practical implementation implementation and formation of alternative proposals for choosing and making rational management decisions.

In accordance with the defined goal of the analysis, the following are the main areas of analytical research of the capital of enterprises:

– analysis of the company's capital availability;

– analysis of the efficiency of the use of the enterprise's capital;

– factor analysis of the availability and efficiency of the use of the enterprise's capital;

– optimization of the capital structure of the enterprise;

– search for potential reserves to improve the composition and structure of capital, increase the efficiency of its use and ensure sustainable economic growth of the enterprise's financial security;

– formation of proposals for the practical implementation of attracting the discovered reserves.

Each of the areas of enterprise capital analysis involves solving certain analytical tasks and using the appropriate system of indicators and methods of their analytical processing.

The initial stage of the analysis of the enterprise's capital is the analysis of its availability in general and by individual types and elements of capital. It is aimed at analyzing the dynamics of the company's capital in terms of total volume, composition and structure; capital flow analysis; assessment of the composition of sources of financing of the enterprise's property.

The analysis of the dynamics of the enterprise's capital in terms of its total volume, composition and structure is carried out using methods of vertical and horizontal analysis and involves the comparison of balance sheet data on the enterprise's capital and its individual components at the end and beginning of the reporting period. Horizontal analysis allows you to determine changes in the volume and composition of capital during the reporting period, and vertical analysis - its structural changes.

After clarifying the changes in the volume, composition and structure of the enterprise's capital, its movement during the reporting period is evaluated in terms of inflows and outflows of equity capital and receipt and repayment of borrowed capital, in particular borrowed and borrowed capital.In the process of analyzing the movement of the enterprise's capital, special attention should be paid to the study of changes in the capital involved in the part of payables, since its volume and qualitative composition determine financial stability, and its movement - the state of the company's payment discipline.

The next stage of the analysis of the capital of the enterprise is the assessment of the effectiveness of its use in general and by individual types and elements of capital. Such an assessment at the quantitative level can usually be carried out in two directions:

– assessment of the level of efficiency of the use of the enterprise's capital (in general and by its individual types);

– assessment of the degree of implementation of the plan and the dynamics of the main indicators that provide the enterprise with acceptable rates of economic growth.

According to the first direction, we propose to evaluate the efficiency of capital use based on the calculation of turnover indicators (in days and number of turnovers) and profitability of the enterprise's capital using the method of financial coefficients. According to the second - on the basis of a comparison of the rates of change of the main economic indicators of management and the amount of capital advanced to the company's assets.

During the formation of analytical conclusions regarding the efficiency of the use of capital of the enterprise according to the second direction of assessment, the so-called "golden rule of business" should be taken into account, according to which the profit should grow at a higher rate than the amount of net revenue from the sale of goods and the value of the enterprise's property.It is optimal to consider the following condition:

$$T_р^п > T_р^{чв} > T_р^к > 100 \qquad (2.1)$$

where, $T_р^п$ - the growth rate of profit (from ordinary activities to taxation, sales, operating activities, net), calculated as expressed as a percentage of the ratio of profit of the reporting and previous periods, %;

$T_р^{чв}$ - the growth rate of net income (revenue) from the sale of goods, calculated as expressed as a percentage of the ratio of its volumes in the reporting and previous periods, %;

$T_{р}^{к}$ - the rate of growth of the enterprise's capital, calculated as expressed in percentages of the ratio of the average value of the funds invested in financing assets (the sum of the liabilities of the balance sheet) of the reporting and previous periods, %.

So, for 2019, the following condition will be fulfilled: 463.8>6138.9>59245.6, for 2020 the condition will be 463.8>22310.9>20238.1, and for 2021 it will be 167.2>41011.6>39053.8.

Fulfillment of this condition is evidence that:

– the company's profit increases more intensively than the volume of sales, which indicates a relative decrease in the company's costs, which is the result of management actions aimed at the rational use of production resources, optimization of the cost structure and improvement of relations with counterparties;

– the volume of sales of goods grows at a higher rate than the invested capital, that is, the company's resources are used more efficiently, the profit from each monetary unit invested in the company increases;

– the economic potential of the enterprise is growing, the scale of its activity is expanding, since all rates of change of indicators are greater than 100%.

Taking into account that the priority source of ensuring the sustainability of economic growth is profit, the possibilities of the enterprise to expand its activities due to the reinvestment of its own funds can be estimated on the basis of the profit reinvestment ratio [32; 35] or, as it is defined by other scientists, the coefficient of sustainability of economic growth [31] or the growth rate of equity capital [36], which is calculated as follows:

$$К_{\text{ВК}}^{\text{Преінв}} = \frac{П^{\text{реінв}}}{\text{ВК}} \times 100 \qquad (2.2)$$

where $\Pi^{реінв}$ - the amount of net profit reinvested in the development of the enterprise, thousand UAH;

VC - the average size of the company's equity capital, hryvnias.

These calculations showed that for 2019, the growth rate of equity capital was 9.92%, for 2020 it was 3.21%, and in 2021 it was 3.23%. We believe that only the analysis of the trend of changes in this indicator in dynamics will allow us to provide an unequivocal answer regarding the potential possibilities of ensuring sustainable economic growth of the enterprise in the future.In the process of further research, it is advisable to carry out a factor analysis of the availability and efficiency of the use of the enterprise's capital. Factor analysis of the availability of capital provides an assessment of the impact of changes in the composition and structure of capital on the financial stability of the enterprise, and factor analysis of the efficiency of the use of capital of the enterprise - a quantitative assessment of the reason for changes in indicators of turnover and profitability of capital, as well as the coefficient of profit reinvestment.

In the context of ensuring the effective interaction of the analysis subsystem in the system of accounting and analytical support for enterprise management and the integration of the movement of information flows, the quality organization of the analytical process and its appropriate technical support are important. The organization of capital analysis should be understood as an interdependent set of its internal structural services and units that purposefully organize and improve the analytical process, develop and make management decisions regarding capital and are responsible for the results of these solutions

The presented model will make it possible to effectively organize the analytical process of assessing the availability and efficiency of capital utilization of the enterprise SG LLC "Hliboprodukt", optimizing its structure; ensure the search for reserves to improve the composition and structure of the enterprise's capital, increase the efficiency of its use to ensure sustainable economic growth, value and cost of the enterprise; develop measures for the practical implementation of identified reserves and form alternative proposals for the selection and adoption of rational management decisions, which are presented in section 3.

Therefore, achieving the strategic goals of the enterprise is not possible without the formation of an analysis of the enterprise, control and timely adjustment of the capital structure, in order to obtain maximum profit and ensure financial stability. Capital management includes methods and principles of developing and achieving management decisions related to: determining the amount and structure of capital that is optimal for the enterprise; consideration and consideration of sources and forms of capital attraction at the stage of its formation. The task of strategic capital management is the long-term competitive attractiveness of the enterprise and the expansion of sales markets, which contributes to a stable profit. There is no typical or unified model of the effective capital ratio of the enterprise for any enterprise. But the excess of loan capital over own capital leads to the dependence of the enterprise on creditors and its low solvency.

CHAPTER 3
DIRECTIONS FOR IMPROVING ENTERPRISE CAPITAL MANAGEMENT

3.1 Optimization of the capital structure according to the criterion of minimizing the cost of capital

Optimization of the capital structure is one of the most important and complex tasks that are solved in the process of financial management of the enterprise [80].

The analysis of literary sources makes it possible to define the term "capital structure optimization" as the ratio between equity and loan capital, for which the enterprise will receive the maximum profit and have the maximum profitability.

According to I. AT. Blank, the optimal capital structure is such a ratio of the use of own and borrowed funds that ensures effective proportionality between the coefficient of profitability and the coefficient of sustainability of the enterprise, that is, its market value is maximized [28].

The capital structure optimization process consists of the following stages:

- formation of goals for the development of the enterprise's capital;
- determination of the optimal ratio between equity and loan capital in accordance with the defined goals;
- assessment of the developed capital structure.

When optimizing the capital structure, three methods of optimizing the capital structure are used: optimization of the capital structure according to the criterion of maximizing the level of projected financial profitability; optimization of the capital structure according to the criterion of minimizing its cost; optimization of the capital structure according to the criterion of minimizing the level of financial risks.

The process of optimizing the capital structure of the enterprise is carried out in stages, which are graphically presented in Fig. 1.1.

The main goal of the first stage of optimizing the capital structure is to identify trends in the dynamics of the volume and composition of capital, their impact on financial stability and the efficiency of capital use. At this stage of the analysis, the dynamics of the total volume and main components of capital are considered compared to the dynamics of the volume of production and sale of products; the ratio of equity and loan capital, its trends, is determined; the ratio of long-term and short-term financial obligations is studied as part of loan capital; the amount of urgent financial obligations and reasons for postponement are determined.

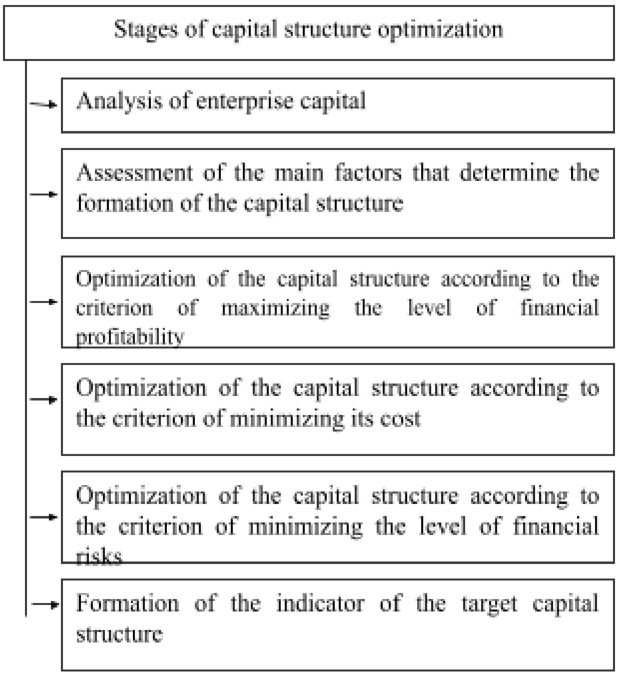

Fig. 3.1. The main stages of the process of optimizing the capital structure of the enterprise

The main goal of the first stage of optimizing the capital structure is to identify trends in the dynamics of the volume and composition of capital, their impact on financial stability and the efficiency of capital use. At this stage of the analysis, the dynamics of the total volume and main components of capital are considered compared to the dynamics of the volume of production and sale of

products; the ratio of equity and loan capital, its trends, is determined; the ratio of long-term and short-term financial obligations is studied as part of loan capital; the amount of urgent financial obligations and reasons for postponement are determined.

At the second stage of the analysis, the system of financial stability coefficients of the enterprise is considered, which is determined by the structure of its capital. In the process of analysis, the following coefficients are calculated and studied in dynamics: autonomy coefficient; coefficient of financial leverage; ratio of long-term and short-term debt.

At the third stage of the analysis, the effectiveness of the use of individual capital elements as a whole is evaluated. In the process of conducting such an analysis, the following indicators are calculated in dynamics: capital turnover period; coefficient of return on equity; coefficient of return on equity; capital return; capital intensity of product realization

At present, practice shows that there are no uniform methodological approaches and recommendations for determining the optimal ratio of equity and borrowed capital even for one enterprise for the entire period of its operation, since at various stages of the enterprise's development, under different conditions of the commodity and financial markets, only individual approach. At the same time, a number of objective and subjective factors are constant, the consideration of which allows for the purposeful formation of the capital structure depending on the criteria chosen by the enterprise and to ensure the conditions for its most effective use. The main of these factors are: sectoral features of the enterprise's operational activity; stage of the life cycle of the enterprise; commodity market situation; financial market situation; the level of profitability of operational activities; the relationship of creditors to the enterprise; level of income taxation; financial mentality of the owners and managers of the enterprise; level of concentration of own capital [34, p. 446].

Taking into account these factors, the optimal proportions of the use of own and borrowed capital for the enterprise are established and the necessary volumes and types of capital are attracted to achieve the calculated indicators of its structure.

The benchmark for determining the optimal structure of capital is usually the basic provisions of its management policy and traditional criteria reflected in the economic literature [34, p. 446]:

- maximizing return on equity;
- minimizing the cost of capital;

The method of optimizing the capital structure according to the cost minimization criterion is based on a preliminary assessment of own and borrowed capital under various conditions of their formation, maintenance and implementation of multivariate calculations of the weighted average cost of capital and, thus, finding the most realistic market value of the enterprise. Using capital from various sources, financial managers try to optimize the capital structure in order to reduce the weighted average cost of capital - the average fee for all sources of financing.

According to I.A. Blank optimization of the capital structure based on the criterion of minimizing its weighted average cost involves the preliminary determination of the value of individual elements of equity and borrowed capital, taking into account the conditions of their formation and the implementation of multivariate calculations of the weighted average cost of capital for various ratios of its components. Accordingly, the criterion for choosing the optimal capital structure is the average minimum value of the cost of maintenance of own and borrowed capital used in the economic activity of the enterprise.

Minimization of the weighted average cost directly follows from the criterion of effective enterprise management. Hence, in the process of optimizing the structure of the equity capital according to this criterion, it is necessary to proceed from the possibilities of minimizing the weighted average value of the equity capital of the enterprise.

The formation of the optimal capital structure according to the criterion of minimizing the level of financial risks involves a differentiated choice of financing sources for various components of the company's assets and depends on the asset financing policy chosen by the company (aggressive, moderate, conservative) and inclination and readiness management to the risk of financial losses. At the same time, all assets of the enterprise are divided into three groups: non-current assets, the permanent part of current assets (permanently engaged current assets that form the irreducible minimum necessary for the enterprise to carry out current operational activities) and the variable part of current assets (additionally involved assets, the size of which changes and depends on fluctuations in turnover, the need to form in certain periods of seasonal storage, early delivery and destination stocks, seasonal growth of funds and receivables of the enterprise), and as part of the sources of their financing, they allocate their own capital (VC) and long-term (DPK) and short-term (KPC) loan capital and depending on the ratio between assets and sources of their formation in accordance with certain types of financial policy measure the level of risk.

The selection of criteria for the optimal capital structure acceptable for a specific trade enterprise and the justification of their subordination is a difficult task. When solving it, you should rely on the target needs of capital management and take into account the internal capabilities and external conditions of the enterprise's economic activity.

The priority task of the enterprise's capital management is to increase profits with minimal costs associated with attracting and servicing own and borrowed capital. Therefore, it can be argued that the criteria for choosing the optimal capital structure of trade enterprises should be the maximum net profit and the minimum weighted average cost of capital involved in economic activity.

Taking into account the internal capabilities and external conditions of the economic activity of a trade enterprise in the process of choosing a specific option for achieving the desired parameters of profit and weighted average cost involves the formation of a whole series of conditions (limitations) that ensure the existence of a range of possible alternative options, and a justified choice of one of them based on the principle of optimization. The implementation of the latter essentially boils down to the solution of an extremal problem, which has the following form [354]:

$$f(\text{x}) \text{ min (max)}, x\ X \qquad (3.3.)$$

where f (x) is the objective function (mathematical notation of the optimality criterion);

*h*is an admissible solution to the problem

X is the area of problem solving (allowable number of alternative options).

Therefore, the task of optimizing the capital structure of the enterprise can be formulated as the determination of such values of the structural elements of the capital that satisfy a number of restrictions, under which the minimum value of the weighted average cost of the capital of the enterprise at optimal costs for servicing all sources of asset financing.

The minimization of the level of financial risk is ensured by a conservative policy of financing the company's assets, according to which non-current assets (essentially assets that are difficult to realize, (A4)) should be formed at the expense of own and long-term loan capital, a permanent part of current assets (as a rule, these are assets of slow realization A3) and 50% of the variable part of current assets has the form:

$$X_{КВ}^{ВК} + X_{ств}^{ВК} + X_{отр}^{ВК} + X_{дс}^{ПК} \le A_3 + A_4 + 0{,}5 \times (A_1 + A_2),$$

(3.4)

The determined inequalities are based on a comparison of generally recognized groups of liquidity of assets and the repayment of the company's liabilities and are formed in this form in order to ensure the timely and completeness of the settlement of obligations to the counterparties of the enterprise at the expense of those types of assets whose term of conversion into money corresponds to the term of repayment of liabilities Yazan

When building the objective function of minimizing the determination of the optimal capital structure of the enterprise, it is advisable to take the weighted average cost of the enterprise's capital as a criterion, which is calculated taking into account the cost of each structural element of the capital: the cost of the owners' capital ($K_{кв}^{вк}$), the value of the created ($K_{ств}^{вк}$) and the cost of the received ($K_{отр}^{вк}$) equity capital, as well as the value of long-term ($K_{дс}^{пк}$) and short-term ($K_{кс}^{пк}$) loan capital and the cost of borrowed capital ($K^{зк}$) taking into account the tax burden. The following type of objective function for optimization of the capital structure task is recommended according to the criterion of minimizing the weighted average cost of capital:

$$F = k_{кв}^{ВК} \times \frac{x_{кв}^{вк}}{К_{опт}} + k_{ств}^{ВК} \times \frac{x_{ств}^{вк}}{К_{опт}} + k_{отр}^{ВК} \times \frac{x_{отр}^{вк}}{К_{опт}} + К_{дс}^{пк} \times \frac{x_{дс}^{ПК}}{К_{опт}} (1 - \mathrm{Т}) + k_{КС}^{ПК} \times \frac{x_{кс}^{ПК}}{К_{опт}} \times (1 - \mathrm{Т}) + К^{ЗК} \times (1 - \mathrm{Т}) \rightarrow min,$$

(3.5)

where $К_{опт}$ - the optimal amount of the enterprise's capital obtained by the results of the first optimization task, thousand hryvnias;

$Х_{кв}^{вк}, Х_{ств}^{вк}, Х_{отр}^{вк}$ – reimbursed amounts of owners' capital, own, created and received capital in the course of economic activity, respectively, thousand hryvnias;

$Х_{дс}^{пк}, Х_{кс}^{пк}$ - sought amounts of long-term and short-term capital of the enterprise, respectively, thousand hryvnias;

$x^{зк}$ – the sought amount of the company's capital, thousands of hryvnias

As coefficients of the target fiction of minimizing the weighted average cost of the enterprise, the values of the indicators of the value of each structural element of capital, which have developed under modern conditions of the enterprise's functioning in the space of commodity and stock markets, taking into account the tax burden on the part of borrowed capital, should be taken.

Since the values $\frac{k_{\text{кв}}^{\text{вк}}}{К_{\text{опт}}}, \frac{k_{\text{ств}}^{\text{вк}}}{К_{\text{опт}}}, \frac{k_{\text{отр}}^{\text{вк}}}{К_{\text{опт}}}, \frac{k_{\text{дс}}^{\text{пк}} \times (1-Т)}{К_{\text{опт}}}, \frac{k_{\text{кс}}^{\text{пк}} \times (1-Т)}{К_{\text{опт}}}, \frac{k^{\text{ЗК}} \times (1-Т)}{К_{\text{опт}}}$, for this optimization problem, the indicators are constant, they can be calculated and written as a single number. The economic-mathematical model for SG LLC "Hliboprodukt" based on the criterion of minimizing the weighted average cost of the enterprise's capital looks like this:

$$F = 0.0042 \text{ xVK } 0.0016 \text{ xVK } 0.0044 \text{ xPK } 0.0041 \text{ xPK }. \quad (3.6)$$

The resulting refined optimal volumes of the structural elements of the enterprise's capital by minimizing the weighted average cost of the enterprise's capital are shown in the table. 3.1

Table 3.1

Optimum specified volumes of structural elements of the capital of SG LLC "Hliboprodukt" as of 12/31/2021

	The name of the structural elements of the capital of the enterprise	Optimal values	
		Volume, thousand UAH	specific gravity, %
1	Owners' capital	11.8	60,70
2	Equity created	3616.5	6.77
3	Received equity capital	–	–
4	Long-term loan Capital	19	18.46

5	Short-term loan Capital	-	9.07
6	Raised capital	1297.8	5.01
7	Total capital	5414.4	100
8	Minimum weighted average cost, %	13.0	H

So, the proposed order of calculations regarding the formation of the optimal target capital structure will make it possible not only to quickly and optimally structure the capital of the enterprise in its property and financial embodiment, but also to find the minimum value of the weighted average cost of capital.

3.2. Optimization of the capital structure based on maximizing the level of projected financial profitability

The effectiveness of enterprises in the modern conditions of the development of the economy of Ukraine depends not only on the ability of the management to respond flexibly to the needs of the market and improve the quality of customer service, but also on the ability to ensure the search for new sources of financing and the rational allocation of capital in the assets of the enterprise, reducing the costs of their maintenance, increasing economic efficiency and achieving sustainable economic development. In this context, issues of formation and establishment of optimal maximization of capital management of the enterprise become relevant[79].

The goal of every enterprise is to form such a structure in which it will achieve the optimal ratio between equity and loan capital, for which the maximum market value of the enterprise's assets will be achieved with the minimum costs of the enterprise for the formation of capital. The process of optimizing the structure of the company's resources should be carried out on the basis of the formation of a target structure, which represents such a ratio of the company's own and borrowed financial resources, which allows to fully ensure the achievement of the chosen criterion for its optimization.[76] Thus, the problem of an enterprise's choice of one or another structure of its resources can be solved only under the condition of choosing a certain criterion characteristic of the optimality of the ratio of their structural elements.

When applying a methodical approach based on maximizing the level of projected financial profitability, it should be remembered that financial leverage is the company's use of loan capital, which affects the change in the profitability of equity capital and gives it the opportunity to receive additional profit on equity capital. The indicator that reflects the level of additional profit on equity for different options of the capital structure is called the effect of financial leverage [77].

It should be noted that the effect of financial leverage can be both positive and negative. In addition, this effect arises due to the use of not only paid credit, but also free loan resources (creditor debt)[69]. And the higher is the change of the latter in the total amount of borrowed funds, the higher is the value of the effect of financial leverage. Therefore, the effect of financial leverage is a change in the return on equity due to the use of borrowed funds in the turnover of the enterprise. The positive effect of financial leverage occurs in those cases when the loan capital obtained at a fixed interest rate is used by the enterprise in the process of activity in such a way that it brings a higher profit than financial costs, that is, the return on aggregate capital is higher than the weighted average price of loan resources.

To carry out optimization calculations based on the criterion of maximizing the level of financial profitability, the mechanism of financial leverage is used[69]. On its basis, the level of additional profit on own capital is determined for various options of the capital structure, i.e. the effect of financial leverage:

$$\text{ЕФВ} = \frac{\text{зк}}{\text{вк}}(\text{РА} - \text{СК})(1 - \text{СПП}), \quad (3.7)$$

where EFV is the effect of financial leverage (leverage), coef.;

ZK- borrowed capital, thousand UAH;

VK- equity, thousand UAH;

RA– profitability of assets, %;

SK– average interest rate on credits and loans, %;

SPP– income tax rate, coef.

During the compilation of the objective function, the numerical characteristics of the distribution of the values of the profitability indicators of SG LLC "Hliboprodukt" according to the data of 2019–2021 were taken into account, namely, as the coefficients of the objective function of maximizing the net profit of the investigated enterprise, the median values of the profitability indicators for each structural element of capital were taken, calculated by using the statistical package Statgraphics Centurion. This selection of the coefficient of the objective function is due to the statistical stability of the median. So, the economic-mathematical model of the optimization problem of the capital structure of SG LLC "Hliboprodukt" according to the criterion of maximizing net profit has the following form:

$$F_{max} = 0{,}0518 \times x^{вк}_{кв} + 0{,}0078 \times x^{вк}_{ств} + 0{,}0016 \times x^{вк}_{отр} + 0{,}0214 \times x^{пк}_{дс}$$
$$+0{,}0087 \times x^{пк}_{кс} + 0{,}0091 \times x^{зк} \quad (3.8)$$

Based on the results of the calculations as of 01.31.21, the optimal amounts of structural elements of the capital of SG LLC "Hliboprodukt" with the maximization of the net profit of the table were obtained. 3.2.

Table 3.2

Optimum volumes of structural elements of the capital of SG LLC "Hliboprodukt" for 31.12.2021

	The name of the structural element of the capital of the enterprise	Optimal values	
		Amount, thousand UAH	specific gravity, %
1	Owners' capital	12.8	60.74
2	Equity created	4,615.6	6.77
3	Received equity capital	-	–
4	Long-term loan capital	17.2	18.47
5	Short-term loan capital	-	9.07
6	Raised capital	1397.8	4.95
7	Total capital	6,726.2	100
8	Maximum net profit	170.7	H

Thus, in the optimal capital structure for SG LLC "Hliboprodukt", which achieves the maximum amount of net profit and optimal costs for capital maintenance, as well as ensures the conditions for compliance with the level of solvency, financial stability, risk and efficiency of management, about 70% should be own capital and, accordingly, 30% borrowed capital.

The proposed methodical approach to optimizing the capital structure will allow the management to develop scientifically based management decisions regarding the policy of financing the company's assets and use wide opportunities to increase the value of the company. The advantages of this approach, in contrast to the existing ones, are the possibility of adjusting management actions regarding capital in the short term.

3.3. Foreign experience in improving capital management

Capital management refers to the fundamental foundations of business in many European countries and the United States. Moreover, the category "capital", as mentioned earlier, is one of the key ones in economic science in general and in the theory of financial management in particular. Capital is an economic category, as mentioned, but it received a new meaning precisely in the conditions of market relations. As the main economic basis for the creation and development of the enterprise, capital in the process of its functioning ensures the interests of the state, owners and staff and characterizes the total cost of funds in monetary, material and immaterial forms that are invested in the formation of its assets[43].

Capital management is a system of principles and methods of development and implementation of management decisions related to its optimal formation from various sources, as well as ensuring its effective use in various types of economic activity of the enterprise. In the developed countries of the European Union, enterprise capital management is aimed primarily at solving the following main tasks:[52]

- formation of a sufficient amount of capital of the enterprise, which allows to ensure the necessary rates of economic development of the enterprise;
- optimization of the distribution of the generated capital by types of activities and areas of use;
- ensuring the conditions for achieving the maximum return on capital at the planned level of financial risk;
- ensuring the minimization of financial risk associated with the use of capital at the planned level of its profitability;
- ensuring the constant financial balance of the enterprise in the process of its development;
- ensuring a sufficient level of financial control over the enterprise by its founders;
- optimization of the enterprise's capital turnover;

– ensuring timely capital reinvestment.

The levers of the economic mechanism of the enterprise in Europe correspond to the socio-economic nature of the enterprise and are one of the factors of the development of production and exchange on a market basis. The use and improvement of such economic levers as commercial calculation, planning, pricing mechanism, stable financial position and reasonable taxation helped to create a reliable, strong economic mechanism that activates the entire complex mechanism of the European economy[49]. The essence of the economic methods used by the leading countries of the world is to exert an indirect influence on the performers and create such economic prerequisites under which the choice of the direction of its activity is carried out by the enterprise itself, its economic divisions and individual performers under the influence of economic incentives that act as prospects for material gain or loss [64]. The conditions for the successful application of economic management methods should include the observance of the economic and operational independence of enterprises and economic divisions, granting them sufficient rights in choosing the ways and means of achieving the set goals.

The potential of the enterprise management system is a set of those opportunities, means and tools that appear in it with the application of the enterprise's capital management mechanism. Potential characterizes promising performance gradually accumulated over time.

The capital management potential of the enterprise is included in the general strategic potential of the enterprise and can be considered as an increase of this potential under the influence of the factors of formation and use of its capital. Moreover, the capital management potential of the enterprise is the main component of the overall potential of the enterprise, because it determines the implementation of the strategic goals of the enterprise and all its other potentials.

For many leading enterprises in the world today there are two alternative forms of the conceptual model of enterprise capital management - American and German.[76]

In the American model, the interests of enterprises come first in the list of interests of the participants of enterprises. The company's activities are carried out for the welfare of the directors and partially the staff. At the same time, certain traditions are formed when managers are expected to maximize the company's value[76]. Based on this premise, American specialists believe that a company's market value (or capitalization) is a better measure of a company's performance. All activities of hired personnel (managers, specialists and workers) must be subordinated to the maximization of the company's value. At the same time, it is claimed that simultaneously with the increase in the well-being of the directors, the well-being of the hired staff increases.

In the German model, more attention is paid to the interests of the employed personnel. The management structure includes a supervisory board, half of which is elected by the company's employees from among themselves, with more than 2,000 employees. The German model of enterprise management takes into account the interests of numerous and different participants.[78]

The analysis of the problem shows that efforts are being made in Ukraine to combine the main principles of typical foreign models in the direction of more fully ensuring the balance of interests.

Different models are used to substantiate the directions of capital management, the basis of which are the contradictions of the opinions of economists regarding the possibility of optimizing the capital structure of the enterprise and the selection of the main factors that determine its mechanism. European enterprises mostly used the method of capital management, which in the majority used formalized forecasting methods (statistical and structural) and almost no informal management methods were used.

Informal methods are mostly based on the analytical characteristics of the persons making managerial decisions. This is a set of logical techniques and methods of choosing optimal solutions by the manager by means of a theoretical comparison of alternatives, taking into account the accumulated experience[65]. Decision-making processes are based primarily on the use of heuristic methods, and the latter, in turn, are based on the application of rules, techniques, and simplifications that summarize the relevant experience of the decision-maker. Heuristic decision-making methods are a system of principles and rules that determine the most probable strategies and tactics of a person making a decision, stimulating his intuitive thinking in the decision-making process, generating new ideas and, on this basis, solving a certain class of creative tasks that significantly increase efficiency .

With regard to management tasks, heuristic methods are implemented as follows. Using an intuitive method - the solution method can be derived from the practice of past actions, which has justified itself in most cases, by the task of an expert option - the management task is made easier if the specialist offers a reference option for solving the task; near it, it is possible to check the change in the efficiency criterion when varying individual parameters[78]. The second task is the replacement of one task with another – in this case, the model will not clearly reproduce the essence of the situation under consideration, but the algorithm for solving the selected task can be used to develop a solution. The third task consists in narrowing the field of research, the search for the optimal option can be simplified if additional limiting conditions are introduced.

The result of capital management should be developed by the enterprise based on its own experience, taking into account the theoretical generalizations given in the economic literature, a system of indicators of the state and use of capital, for example: the ratio of own, borrowed and borrowed capital; standard of own working capital; leverage and others.

For successful capital management, the management of European enterprises uses a variety of methods, including the choice of policy regarding the formation and use of individual components of equity capital: reserve, additional, retained earnings. Using the opportunities of the stock market for transactions with own shares, as well as issuing bonds.

The development of capital management methodology is based on scientifically based principles and rules of behavior that express dynamism and susceptibility to changing conditions, planned results of production and economic activity and integration with the general system of enterprise management [36]. Thus, each enterprise chooses the most appropriate model of enterprise capital management.

So, in the leading European countries, capital management is one of the main tasks of any enterprise, since the volume, structure and cost of capital significantly affect the main indicators of the enterprise's financial and economic activity and, in general, the efficiency of its activity. The results and the use of methods confirm that the effective functioning of enterprises is based on a correctly selected and formed capital structure, taking into account new approaches to the definition of separate concepts and categories, developing and substantiating indicators that characterize them and correspond to the conditions of the real economy. In order to manage the company's capital in market conditions at a high level and to get the most benefit from the production process, most countries use modern economic models and methods.

CONCLUSIONS

The activity of the enterprise in the conditions of the market economy of any form of ownership, organizational and legal status and branch orientation directly depends on capital and its management. Achieving the company's strategic goals also depends significantly on the efficiency of the company's capital management and its structure, that is, determining the general need for them, forming the optimal structure, and the conditions for their involvement.

The work considered definitions of the essence of capital by such scientists as: V.A. Borisova, F.F. Butynets, N.O. Kovalchuk, S.S. Hrynkevich, K.V. Orekhova, R.O. Piskunov, O.M. Tridid.

The specified methods of optimizing the capital structure of the enterprise allow to avoid those problems that are quite often encountered in the activities of enterprises related to capital management in the future.

If there are problems in the activity, an appropriate action plan must be adopted, which will ensure the improvement of the activity of this enterprise.

The research carried out in the work allows us to draw the following conclusions. The enterprise is liquid because it has sufficient funds to cover its current liabilities and repay its own short-term liabilities. During the reporting period, the share of equity increased from 76% to 85%, which indicates a decrease in the company's dependence on borrowed capital.

As for the financial stability of the enterprise, during the period under investigation, it was found that the surplus of the total value of the main sources of the formation of reserves and expenses is increasing at the enterprise. Such a situation requires the development and implementation of measures aimed at the effective use of the company's own capital and the formation of an optimal capital structure.

The structural analysis of the company's capital over the past three years has shown that the company is financially independent, as the share of equity capital is significantly greater than the share of loan capital. This, in turn, contributes to the positive development of the enterprise and its activities on the market.

Based on the results of the analysis, it was determined that the company has an excellent capital structure management policy. After all, the ratio of own funds to borrowed funds is 85.7% to 14.3%. This phenomenon determines the financial independence of the enterprise from borrowed funds. The increase in the return on equity indicates the effective investment of equity capital in the company's activities. But based on the fact that many indicators are declining, it is necessary to optimize the capital structure to prevent crisis situations at the enterprise.

Based on the conclusions drawn, the author offers the following recommendations:

To optimize the capital structure, the enterprise must use one of the proposed methods: on the basis of maximizing the level of projected financial profitability, according to the criterion of minimizing the cost of capital and the level of financial risks.

The ways of capital optimization proposed by us made it possible to maximize the level of profitability of the enterprise from 5.96% to the forecast value of 7.24% due to participants' contributions in order to increase equity and minimize the weighted average cost of capital by reducing the cost of debt capital.

The calculated Altman coefficient showed that the company did not threatened with bankruptcy, the management must continuously implement this monitoring of the ratio of own and borrowed funds with the goal their maximum balancing to ensure effective, uninterrupted functioning of the enterprise, as well as financial autonomy to obtain high liquidity, solvency and profitability.

Thus, after calculations based on capital structure optimization methods, it was determined that the ratio of 93% of equity to 7% of debt is optimal. It is at this ratio that the company's resources will be used most rationally and will bring the greatest benefit.

Therefore, the developed recommendations and proposals will allow to manage the capital of the enterprise through the optimization of its structure.

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ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 10:54:58 16.05.2025

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Розмір файлу з підписом: 879.0 КБ

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Підписувач - 1: ГНИП НАТАЛІЯ ОЛЕКСІЇВНА
П.І.Б.: ГНИП НАТАЛІЯ ОЛЕКСІЇВНА
Країна: Україна
РНОКПП: 3044220121
Організація (установа): ФІЗИЧНА ОСОБА
Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 16:21:14 05.12.2024
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Алгоритм підпису: ДСТУ 4145
Тип підпису: Удосконалений
Тип контейнера: Підпис та дані в одному файлі (CAdES enveloped)
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Підписувач - 2: АЗАРЕНКОВА ГАЛИНА МИХАЙЛІВНА
П.І.Б.: АЗАРЕНКОВА ГАЛИНА МИХАЙЛІВНА
Країна: Україна
РНОКПП: 2571514226
Організація (установа): ФІЗИЧНА ОСОБА
Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 20:30:51 05.12.2024
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Сертифікат: Кваліфікований

Підписувач - 3: Омеляненко Денис Олегович
П.І.Б.: Омеляненко Денис Олегович
Країна: Україна
РНОКПП: 3634714115
Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 13:23:08 03.01.2025
Сертифікат виданий: "Дія". Кваліфікований надавач електронних довірчих послуг
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Тип носія особистого ключа: ЗНКІ криптомодуль ІІТ Гряда-301
Серійний номер носія особистого ключа: Не визначено
Алгоритм підпису: ДСТУ 4145
Тип підпису: Кваліфікований
Тип контейнера: Підпис та дані в одному файлі (CAdES enveloped)
Формат підпису: З повними даними ЦСК для перевірки (CAdES-X Long)
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