

SOURCES OF FORMATION OF FINANCIAL RESOURCES OF THE BUSINESS ENTITY

Today, a very important aspect for any enterprise is the ability to maintain financial stability and be competitive. First of all, the success of any enterprise depends on the correct formulation and use of sources of financial resources at the disposal of the enterprise.

There are two types of sources of formation of financial resources: own financial resources and borrowed ones. Each source from which financial resources are formed has its advantages and disadvantages, and this leads to different effects of own and borrowed funds on the functioning of the enterprise.

Own financial resources have a positive feature in that they ensure the financial stability of the enterprise, they can be attracted more easily and quickly, they do not require interest or dividends. This reduces the possibility of bankruptcy and the preservation of full management and control of the owner of the enterprise.

Also, the negative side of own financial resources is that the company may be limited by the volume of its own funds, and this may limit the possibilities of expansion and implementation of new investment projects. Also, the use of own funds can lead to a lack of cash to cover immediate financial obligations.

In contrast to own funds, borrowed funds are characterized by sufficiently wide possibilities of attracting volumes, which can contribute to the increase of assets and the development of the company's activities. However, when using loan funds, you should be thoughtful and careful, as this can lead to a decrease in the financial stability of the enterprise and an increase in the risk of insolvency. Also, it can create additional financial pressure and increase the costs of the enterprise. It is worth carefully choosing a loan that suits your business and using various alternative options.

There are several options for attracting loan funds, for example, taking a loan from a bank or receiving a grant. Grant funds do not need to be returned, they are irrevocable assistance to support the enterprise. However, the amount that will be provided by the grant may not be sufficient and the registration will take a lot of time. A bank loan provides an opportunity to obtain a sufficient amount of money quickly and easily, but it is issued against collateral and involves the payment of interest.

Also, you can use the state business support program - Available loans 5-7-9%. The final rate depended on the size of the business and the number of new jobs. Today, 42 banks participate in the program, including PrivatBank, Oschadbank and others.

Therefore, the choice between own and borrowed funds requires careful analysis and a balanced approach to achieve financial stability and the ability to repay obligations on time