

# FINANCIAL MECHANISM OF FOREIGN CORPORATIONS IN THE CONTEXT OF GLOBALIZATION

**Smahlo O.V.**

Candidate of Economic Sciences,  
Senior Lecturer at Department of Finance,  
Vinnytsia Institute of Trade and Economics,  
Kyiv National University of Trade and Economics

It is hard to imagine the process of globalization of the world economy without affecting the process of such entities as international market corporations that operate in multiple markets of different countries and blur the boundaries of national economies.

However, successful operation of any company, including corporations, largely depends on the efficiency of financial activities. The need to study the effectiveness of the financial system of foreign corporations is caused by the fact that in the period of globalization, the role of global giants is growing, corporate activities significantly affect the economic situation of the most world economies, and one of the most important components of the entire global financial system is corporations' finance. The efficiency of TNC influences the rates of intensification of investment flows and financial resources, the growth of national economies, their technical and technological innovation and attraction of the world economic space.

Therefore, the questions discovering factors improving the efficiency of financial activities of foreign corporations in the context of globalization of the world economy and the formation of a financial management strategy of the company are so important.

At the present stage of the globalization of the world economy, corporations are the

main economic agents of the national and global market economy. Their outstanding representatives are transnational corporations (TNCs), which has more than 82.000 and with more than 810.000 affiliated institutions around the world, providing employment for more than 77 million people. Looking through the influence of corporations and their activity in the innovation process, starting from the second half of the twentieth century, much attention is paid to the effective development and management of corporate finance.

Finance of foreign corporations represents a system of monetary relations arising in the course of economic activity and necessary for the formation and use of capital, income, and cash assets. The emphasis in modern finance foreign corporations is on the search for ways of efficient use of resources and investing in assets or projects that bring high returns for the least risk.

At the present stage of globalization, most attention is paid to:

- identifying effective relationships between the financing business with the sale of loans and securities;
- conducting optimum dividend policy and long-term planning;
- use of new financial instruments.