

THE THEORETICAL ESSENCE OF THE COMPANY'S CURRENT CAPITAL

Khokhlov M.P.

Doctor of Economic Sciences, Professor,
Professor at Department of Finance and Credit,
Kharkiv Institute of Finance
Kyiv National University of Trade and Economics

Yareshchenko T.O.

Student,
Kharkiv Institute of Finance
Kyiv National University of Trade and Economics

Under the terms and conditions of the unstable economy, the management of the company's financial resources is an important step in the financial management. You should pay a particular attention to the management of all types of the company's capital to the current capital, as the continuity of the production process and sale of products, the liquidity of the company, and its solvency depend on the management quality.

The management of the company's current capital is a complex process. The system of management of the company's current capital should mean a set of separate but interrelated elements that provide a targeted impact on the management object by implementing the management functions through the use of a set of the management methods for the purpose of ensuring the company's sufficient liquidity and solvency level. The system of management of the company's current capital is a part of the general financial strategy of the company that is to build the required volume and composition of the current capital, rationalization, and optimization of the structure of its funding sources.

First, the management of the company's current capital should be based on the requirements of the external legislation (at the state level), and secondly, on the requirements of the internal regulations and guidelines (at companies' level). Thus, we can make a conclusion that the company's current capital fulfils a special role in the company's life; a smooth, cyclical operating process is carried out based on it, and its volumes influence the process of reproduction of the company's capital that is the basis for the business of the economic entity. Management of the current capital is a complex process that requires quick decision-making from the managers regarding cash management, company's accounts receivable, and induces to search for new sales markets, regulation of finished goods balance and inventory. Therefore, the management of the company's current capital should be based on certain principles that will enable the company to have the regulatory liquidity and solvency values.