

THE PLACE AND ROLE OF BUSINESS ENTITIES' FINANCES IN THE FINANCIAL SYSTEM OF UKRAINE

Seliverstova L.S.

Doctor of Economic Sciences, Associate Professor,
Professor at Department of Finance,
Kyiv National University of Trade and Economics

Yermakova O.M.

Postgraduate Student,
Kyiv National University of Technologies and Design

Finances of business entities are an integral part of the financial system of the country, and they form the heart of its financial resources. There cannot be a stable and healthy financial system without business subjects that function effectively.

The purpose of the study is to substantiate the place of business entities' finances in the financial system of the country and determine their role in the Ukrainian economy.

In the economic aspect, finances of business entities are public connections in relation to the circulation of financial assets in the field of management; in the material aspect, they are directly financial assets (funds, securities, debt obligations, and debt claims that are not attributed to securities) of economic entities.

The financial system of Ukraine is characterized by specific forms and methods of financial relations, which have the appropriate legislative and organizational support. Each sphere and each part of the financial system of Ukraine has its purpose and its

characteristic features. Public finances and finances of economic entities form the heart of the financial system of Ukraine because it is precisely in these links that the creation, main distribution, and redistribution of the gross domestic product are taking place.

The business entities' finances are intended to support the activities of enterprises. Their exchange-distribution relations are divided into internal and external. Internal ones characterize cash flows and reflect the formation and distribution of its income. External ones characterize the connections with other spheres and branches of the financial system.

The economic entities' finances, being the part of the financial system of the state, affect the system's stability. The problems of the finances of business entities inevitably lead to a deepening of the problems of public finances, that is why the development and provision of effective activity of economic entities is a matter of forming a stable and high-quality economic space.