

DIRECTIONS OF THE EFFECTIVE USE AND PROMOTION OF FINANCIAL CAPITAL IN INVESTMENT ACTIVITIES

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Strategic management of the capital formation requires the exercise of choice of investment objects, giving preference to high-yielding assets and projects that are associated with decision making in a risky environment.

The state is able effectively to influence investment performance by creating conditions and rules, and through increasing public investment, which at the same time requires strengthening of its target orientation. The long period the country is in a state of prolonged political and economic crisis. In this situation, in our opinion, the most appropriate preventive measures are necessary.

For this purpose it is necessary to create a specialized state economic development fund, (Fund "Ukraine") on the basis of the sterilization of the funds-transfers that arrive in the country as a result of money transfers of Ukrainian labour migrants who work abroad. These funds could be large priority projects of national significance for the Fund. Monetary policy should be stimulating, with a particular expansion in the money supply.

One of the problems in the investment sphere of Ukraine and its regions is the lack

of financial resources and low capacity to attract them.

Investment requires the system to generate "long money": investment funds, insurance, pension funds. Unfortunately, in Ukraine the development of these financial intermediaries is not entirely correct.

Management policy is the formation and use of capital in the process of financial investment is a component of the General policy of the use of capital in the investment process to ensure selection of the most effective financial instruments to invest.

Some directions to increase efficiency of state investment policy are the following:

1. To create an investment Fund (the funds) for the mobilization of savings of people (living both in Ukraine and abroad), business entities, financial and non-financial corporations, funds, private pension funds and insurance companies, money transfers of labour migrants, foreign investors.

2. Spread of an initial public issue of bonds which is possible through investment Fund

3. Wide use of the Toolkit – the partnership between the state and private actors of the economy