

Causes of financial risks of enterprises of hotel and catering business

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Enterprises of hotel and catering business operate in conditions of formed market relations, high competition, and increase in recurrence of financial risks and uncertainty. Enterprises have to make financial decisions in terms of systematic crisis of the national economy; therefore problem situations can occur, for which neutralization it is useful to know causes of financial risks appearance and factors of impact.

Hotel and catering business' enterprises development in the crisis period concerned with the state of uncertainty, which, in turn, influences the limited knowledge of the future sequence of events. In modern crisis conditions the state of each subject of economy is determined first of all by its ability to adapt to changing conditions of the competitive activity, possibility to perform an active innovational activity.

Main factors of impact on the financial activity of enterprises of hotel and catering business are risks, which appear in the process of financial activity.

The main danger of risks is impossibility of their revealing. At the moment of the management decision-making, enterprises of hotel and catering business cannot foresee the changes, which take place in terms

of uncertainty (to what business investment should be directed, to buy equipment or to rent, what method of amortization should be chosen); risks related to financial relations, financial management and financial security of the state, liquidity of assets, paying capacity; risks have expected and subjective character.

For neutralization of financial risks, enterprises of the hotel and catering business should know their main types and be able to distinguish risks by the features of appearance.

Thus, to determine the financial risks' influence on the activity of enterprises of hotel and catering business, it is necessary to choose in advance a plan for enterprise development; to foresee risks that can appear during the management decision-making; to have effective mechanisms of surmounting the crisis situation; constant monitoring of external environment and diagnosis of internal environment of functioning of enterprises of the hotel and catering business. These actions will enable the effective functioning and development of enterprises of hotel and catering business in the period of systematical crisis of the national economy.