

Enterprise financial stability as an indicator of its investment attractiveness

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An investment attractiveness of a company plays the extremely important role in the investment processes.

In conditions of unstable economy attracting of the financial investment is very important for the company. That is why the question of investment attractiveness of domestic enterprises is becoming more important.

To assess the investment attractiveness of the enterprise is to identify the strengths and weaknesses of its financial and economic activities for the investor – the definition of status and potential of possible investment object.

Nowadays, there is a problem concerning engaging of the financial resources for enterprises in Ukraine related to assessment and increasing of the investment attractiveness.

The purpose of defining the investment attractiveness is to convince potential investors in the investment opportunities using

specific indicators that are calculated in the course of its assessment. One of the numerous important indicators is the indicator of financial stability of the company that gives the most important characteristic of the financial condition of the company, which determines the effectiveness of financial management. Thus the investment attractiveness is guaranteed and closely related to the reliability of financial condition.

Financially stable and solvent company has a number of advantages over other companies for loans, attracting investments, selection of suppliers and qualified personnel. The higher stability the enterprise has, the more independent of unexpected market fluctuations it is, and therefore the lower risk of bankruptcy has.

Evaluation of financial condition allows investors to determine the financial capacity of the company development for the future.