

## Some aspects of formation of enterprises' profit in the conditions of social and political instability

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The main source of financing of the enterprise is profit. In the conditions of transformational economy, the enterprise profit depends on many factors. The decline of economic stability in the world as well as in Ukraine explains growing attention to the study of influence on the profits' formation of non-economic factors: social, political, geographical, etc. The crisis has highlighted importance of political and social factors in the system of implementation of measures of anti-crisis policy and economic growth.

The aim of the research is the examination of basic problems of profit formation and detection of increasing ways in modern conditions of social and political instability in Ukraine.

All the factors, which depend on profitability, can be divided into external (factors which do not depend on the activities of economic entities) and internal (factors which depend on the enterprise activities).

Strengthening of crisis tendencies in domestic economy highlights a number of problems caused by the instability of the social and political processes: delay of the authorities regarding systemic transformational reforms in all areas of life, Russian aggression and Russian restrictive trade and energy measures; internal contradictions between government and society. As a result – prolonged period of Ukrainian enterprises' withdrawal from the economic crisis over the excessive high tax pressure, informal nature of privatization, monopolization of production and excessive slow

development of medium and small businesses, significant outflow of capital abroad, high orientation of domestic production on imports and, as a result, dependence on fluctuations of world currency, resource and energy markets.

The economic downturn has led up to bankruptcy of many companies. The profitability of the vast majority of enterprises are supported artificially: decrease of production is not achieved by improving system of financial and economic activities, but due the low wages, using cheap and substandard materials, contravention of technological and production process, increase of prices.

For effective management of the company's profit and increase in its value it is necessary:

1. Develop a profit management strategy, which would meet long-term goals of the enterprise and allow achieving the best outcomes using available resources.

2. Consider incomes from all types of enterprise, each of which will have a significant impact on the profit size.

3. Plan expenses in that way that their sum will not exceed revenues in a given period. It will allow ensuring at least break-even production and saving the company from bankruptcy in the future.

4. When using profit, first of all it is important to focus on the needs of the enterprise in the formation of own financial sources, which will further lead to the maximization and stabilization of profits and the development of business entity.