

# THEORETICAL AND METHODOLOGICAL BASES OF FORMATION TRANSACTION COSTS ON FINANCIAL MARKET

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In modern scientific thought increases emphasis on institutional theory. Mostly, this is due to the fact that some of the principles of neoclassical economic theory do not reflect the real economic processes including the financial market. Thus, even in the developed markets of the US and European individuals are unable to simultaneously receive full information on financial assets. At the same time, less developed markets, which include Ukraine, are characterized by a fragmentation of irregularity and asymmetry of information. Classical theory also ignores the transaction costs for obtaining and analyzing information, protection against opportunistic behavior and rights protection. That is why, the growing interest in institutional theory in general and the theory of transaction costs in particular are of interest.

It should be noted, that the institutional theory is not monolithic, it consists of various theories and doctrines that complement one another. In the article it is pointed that, the transaction costs belong to the core of the new institutionalism and the theory of the new institutional economics as well. Thus, the term "transaction costs" is considered widely. Moreover, the transaction costs of the financial market differ significantly from the cost of the real economy. Consequently, the article is dedicated to the theoretical generalization of the approaches

to defining the transaction costs and the determined features of costs on the financial market.

As a result of our analysis of the variety of approaches to the interpretation of the transaction costs to two levels – macro and micro – were determined. On the first level transaction costs are the measure of the market efficiency and formation of institutional environment. The value of this approach is the possibility of an effective study of institutional change, based on a wide range of factors, for example economic mentality. Instead, broader interpretations lead to empirical problems.

On the second level, there are transaction costs of individual participants, therefore they are easy to measure. The advantage of this approach is the possibility of empirical determination of transaction costs and it can be used for making decisions on investments in various types of assets. However, the amount of the costs in this case will depend on the specific segment, region or type of organized market. This creates conceptual problems of institutional change evaluation.

It is proved, that the interpretation of the transaction costs largely depends on the purpose of the study and its level. Therefore, the study of transaction cost theory can help us to determine institutional changes at different segments of the financial market.