

## **FINANCIAL FORECASTING AS AN ELEMENT OF THE ENTERPRISE'S FINANCIAL RESOURCE MANAGEMENT**

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In modern conditions of doing an economic activity, for companies of all sizes, a question of ensuring its financial stability is very important. One of the key tasks of any enterprise is obtaining a scientifically-grounded opinion on sustainable financial development, terms of achievement of financial objectives, implementation of competitive advantages and expanding its market position, reducing the effects of adverse economic conditions on the financial mechanism of the enterprise in the short and long term.

In view of the unstable economic situation in Ukraine, forecasting of the enterprise financial results not only acts as an additional tool but is a precondition for the company's existing in today's changing environment. The investigations of future changes of financial condition of the company and development of strategic events for its adjustment are an essential factor in the formation of modern market strategies.

The expected performance enables the company to plan its financial development, and to avoid major failures and losses associated with them, to make a feasibility analysis of future costs, to receive the greatest benefit from economic relationships with customers, partners, suppliers and banks. In the absence of predictive data subject, the enterprise is prone to incorrect manoeuvres

that could lead to the loss of market position, unstable financial condition or even bankruptcy. Planning and forecasting is a critical element in the management of the enterprise's financial mechanism.

The financial task of manager – to predict supreme exact sales, production cost, the need to attract financial resources, cash flows and more. Finding the most optimal method of actions for the company is also a part of forecasting. In the forecasting process, financial indicators suggest that the economic situation in the future will not have significant deviations from the present.

In the process of forecasting, the most important are the following factors: – the yield; – availability of financial resources; – the rational allocation of fixed and working capital; – solvency; – liquidity. Prediction of these parameters allows the company to rely on the business stability. These figures are the basis for a positive decision on granting loan creditors of the company, attracting new investors and the company development.

The forecasting object, above all, is the financial resources volume that will be made available for the enterprise in future periods. Among these resources – profit remaining after payment of all taxes and charges, and depreciation reimbursed by the price of the products.