

## ABSTRACTS

УДК 658.5:004

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### **SIMULATION OF ANALYSIS SYSTEM OF LOCAL OF REACTION OF PRODUCTION PROCESS AT FLUCTUATIONS VARIABLE FACTOR**

The article focuses on the investigation of the behavior of economic entities in terms of volatility and cyclical temporal classes of economic dynamics. Quantitative representation of the dynamics of economic behavior is peculiar. Cycles could occur not only in the time behavior separately investigated the economic process, but also in the evolution of the parameters of the relationship between economic indicators. Search, detection of cycles, the degree of association study points to the values of the time parameters could be performed only in the application of new methods of economic analysis.

The aim is to design and practical implementation of experimental framework for analysis of the local response to fluctuations in the production process factor variable factor analysis on the example of the production program. To achieve this goal it is necessary to solve the following problems: determine the factor variable influencing the results of the production program; reveal the essence of the methodological approach to objective assessment of critical values of external or internal parameters of the production system; perform practical experimental implementation based on the methods of economic-mathematical modeling and computer technology.

In the work was used modern mathematical methods of economic cyclomatic, approximation methods, splines and approximation theory is to determine the presence or absence of cyclical dynamics of economic performance in industrial applications; complementary econometric regression relationships and provide the opportunity to work with multitask econometric functions where parameter stands time; make it possible to more reliably and accurately simulate, analyze, predict the behavior of economic entities in terms of randomness.

УДК 330.131.7

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### **RISK ASSESSMENT OF INVESTMENT PROJECTS DURING THEIR IMPLEMENTATION**

The investment activities of enterprises is always associated with risk, and the question of its evaluation is rather complex. In the area of engineering is due to the fact that the financing of the development or modernization of engineering enterprises associated with long-term investments and the risk of untimely return or non-return funds. In this connection there is the need for effective risk analysis and assessment of investment, that the potential investors had the opportunity to see a clear picture of the real prospects for the return of funds and profit.

However, as yet there is no single universal approach to the assessment of investment risk in engineering that would satisfy the requirements of any enterprise. Therefore, the problem of the choice of method for assessing the investment risk of the project, especially during its implementation, is relevant and needs a solution.

It was considered the stages of the risk analysis of investment projects and the use of different methods of risk assessment on each of them. The necessities of using the method of sen-

sitivity analysis of performance indicators in the implementation of the investment project for assess and reduce the level of risk.

УДК 338.43

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### **THE MECHANISM OF RESILIENT UKRAINIAN AGRICULTURE SECTOR TO GLOBAL CHALLENGES**

The economic content of the mechanism of the resilient agricultural sector, its financial, organizational and legal elements are defined in the study. Land reform in Ukraine led to the formation of 11 million owners of private farms, gardens, orchards, which are the largest category of agricultural products' producers. In the study it is emphasized the value of private farms for ensuring the resilience of the agricultural sector of Ukraine to the global challenges of XXI century. In 2013, the share of pensions, allowances and subsidies, granted in cash, was 32,7% in total resources of private households; whereas share of wages was 34,7%. The share of the cost of consumed products of the subsidiary farm was 12,5% in total resources of private households. Agricultural production in individual farms generates additional compensatory resources for the resilience of the national economy. Labour productivity and efficiency of agricultural production on private land, and in individual farms are 3-5 times lower in Ukraine than in developed countries. Increasing this figure is within the competence of extension services, but currently their network is developed insufficiently. Intensifying the processes of agricultural producers' integration in cooperatives is one of the most important areas to ensure resilience of the agricultural sector. Important areas for ensuring the resilience of the agricultural sector of Ukrainian economy are also: development of interaction between formal institutions and public initiatives for dynamic and adaptive legislative activity; development of a system of information support of the functioning of the agro-industrial enterprises and agricultural products' producers; providing with direct and indirect government support for the agricultural sector.

УДК 338.1

*T.S. Vakarchuk*

### **ECONOMIC GROWTH AS A STRATEGIC DIRECTION OF STATE REGULATION OF ECONOMY OF UKRAINE**

The major aim of long-term economic policy of any country has to be provision of its steady economic growth quality and dynamics of which are significantly determined with the character of industrial development, presence of progressive movement in its sectoral, scientific-technological and institutional structure. A vital characteristic of a modern market economy of mixed type is state regulation of social-economic development of the country. For the countries with transitive economies, Ukraine in particular, the aim is to form socially oriented market economy. It is impossible to achieve this aim without active participation of the state. Considering this, a special significance is given to such tools of management as forecasting, planning etc. Obtaining numeric rates of major economic indices achieving which a country moves to the conditions of steady growth is impossible without explorations based on construction of the object model according to the expected changes in its characteristics.

In the article, there was carried out the correction of the model by G. Mankiw – D. Rohmer – D. Vale which is a modification of the basic model of economic growth by R. Solou, allowed considering such economical characteristics as coefficient of direct expenses, part of

gross investment into production assets and human capital, depreciation of major production assets and human capital for a year.

With the help of update model, obtained numeric values of indices that define parameters of stable development of Ukrainian economy are the guarantee of economical growth. Due to it, it becomes possible to clearly determine the priorities of state stimulation of economic growth in terms of transition of Ukraine of the post-industrial stage of development that is how to activate investments into production assets and human capital, how to form efficient innovative system and diversify the old structure of economy.

УДК 658.5

*O.M. Vinichenko*

### **THE SERVITUDE AGREEMENT CONTROL AS A RISK FACTOR FOR THE COMPANY ACTIVITY**

The land servitude agreement provisions have been studied. The main articles of the landed servitude agreement as a risk factor for the Servitude Holder have been defined.

The proposed actions can help eliminate the expenses connected with making and implementing the land servitude agreements. The essence of the given recommendations is in finding the ways of control of the servitude agreement provisions. The timely determination and making amendments or cancellation of the agreement provisions leading to financial losses for the Servitude Grantor include the following actions:

- determination of the land use limitations in the restricted area to avoid damages to the Servitude Grantor;
- cancellation of the free servitude by making the land use payment by all legal entities utilizing the same plot of land on the servitude basis;
- taking the responsibility for the Servitude Holder to compensate losses to the Servitude Grantor within using the plot of land under the servitude agreement even if the damages have been caused by technical or technological requirements of the Servitude Holder;
- inability to deny obligations of the Servitude Grantor to bear responsibility for the storage of the equipment of the Servitude Holder on the territory of the restricted area of the land plot;
- making the state registration of the land servitude agreement at the expenses of the Servitude Holder.

The given recommendations require legal approval to protect the Servitude Grantor from the unjustified expenditures, legal actions and obstacles to the regular company operations.

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*S.V. Grushevsky*

### **THE DEVELOPMENT OF THE ORGANIZATION THROUGH THE IMPLEMENTATION OF INNOVATIVE PROJECTS AND PROGRAMS**

In this approach the project as a control object has individual qualities that characterize the possibilities of its implementation in specific conditions in a certain period of time. On the other hand, the organization serving as the subject of management, ensuring that this project is characterized by individual qualities, determined by experience, level of management, etc. The conclusion is that the result associated with the implementation of the project depends not

only on the quality of the elements of the system, but from the operation of the system it «project», which has a synergistic effect.

If we consider the organization providing program management, then, as follows from the above, the structure of its management should consist of three system blocks:

- the first is at the highest level of management provides coordination of the entire organization and execution of programs;
- the second (middle) – provides an implementation of the projects within the programme;
- the third (technical) – provides coordination of the production structure of the organization on the implementation stages.

Such complex ASU cannot be identified with any one of the existing types of control structures, each level has its own specifics, and therefore necessary in each specific case, your approach to the design of governance structures, but the General methodological approaches to this process should be consistent and uniform.

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#### **MODEL FOR DETERMINING THE FEASIBILITY OF OPTIONS PREDICTIVE ESTIMATES OF INVESTMENTS IN THE SPHERE OF PRODUCTION TECHNOLOGY**

The authors proposed a model for determining the feasibility of options predictive estimates of investments in the sphere of production technology for science-based prediction of the decisions taken at the planning stage.

Solution of the problem of forecasting the probability of investment options offered to look for a method of testing statistical hypotheses. As a result, the problem reduces to determining the values of the probability of the conditional probabilities and forecast errors of implementation of each of the investment options (based on the real-blur features).

The results are usually in accurate data on the volume of expected investments in production). Reliability prediction implementation of each of the observed variants are evaluated by calculating the probability of making the right decisions and decision-making errors when considering the distribution of the planned volume of investments for each option for their use. Probability of incorrect prediction of the implementation of each of the specific options is determined by summing the probabilities of errors corresponding row of the matrix of confidence.

The proposed model for predicting the feasibility of investment options in the sphere of production provides fairly accurate information even when pair wise in distinguishability of the expected volume of investments in the face of competing investment options. Create and use the software product on the basis of the proposed stochastic model can greatly simplify the necessary calculations and save time on the investment decision of such problems.

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*T.O. Zagorna*

#### **INVESTIGATION OF THE COMPETITIVE PROCESS IN THE INDUSTRY: A SYNTHESIS OF FRACTAL CHARACTERISTICS AND PROCEDURES**

Accelerating the pace of economic change and complexity nature of the relationship between subject's commodity markets is developing further development of the theory and

methodology of the competitive advantages businesses. A more complicated situation appears to the formation of basic theory of competitive dynamics, as existing models and methods do not take into account the characteristics of the competitive process in the industry, the pace of change competitive positions competitor, and therefore require thorough analytical studies of the competitive process based on fractal characteristics and deepening procedures.

Practice shows that the economic processes and phenomena are not linear and often chaotic. The theory of fractals not only makes it possible to reveal the complex nature of the systems, interactions of structural elements, but also allows for a property market as self-organization. In this paper, a detailed analysis of prospects of using fractal statistics and fractal geometry in the study of complex phenomena; the characteristic parameter «fractal dimension», which makes it possible to assess the degree of uncertainty in the process of competitive interaction (at the market) and illustrates the evaluation of the potential of the network (at the level of competition participants). Self-similarity of fractals in some way blurs the line between participant behavior and the behavior of the system.

The study found a relationship between the level of uncertainty in the competitive environment and the parameters of its evaluation by the theory of fractals. This made it possible to go directly to the quantitative assessment of the competitive dynamics parameters (parameter estimation of *Herst* ( $H$ ), the generation of time series change in competitive position using wavelet analysis).

УДК 339.7

*O.A. Zinchenko*

### **THE POSSIBILITY OF APPLYING THE TRANSACTION COSTS THEORY IN THE ESTIMATION OF INFORMATION TRANSPARENCY OF REGIONAL MARKETS**

Under the conditions of the activation of integration processes, the major task both scientifically and practically is to develop some new approaches to make a diagnosis of the regional markets' information transparency. This task is especially topical in the absence of comprehensive techniques of the integration processes assessment based on their informational component, orientation only on the determination of the investment attractiveness level of some certain companies, not on the assessment of business activity openness that significantly reduces the potential of the investment attractiveness of the markets.

The necessary tools to solve this problem are to give the theory of transaction costs. This is determined by the fact that this theory allows to give a most full diagnose regarding the information transparency of a regional market basing of the costs' analysis of his subjects due to the search and processing of the information which is needed to make bargains.

The analysis of the structure and dynamics of the transaction costs has given an idea of the efficiency and informational transparency concerning the functioning of institutes of the certain market, and namely relative to the investment climate at the market, regulation of relations among its agents, collaboration of the state and public institutes, publicity and accessibility of the information, understanding rationality in certain conditions of business management, specificity of the activity of the legal environment, impact of the integration processes on business activity, availability of barriers in implementing contracts and others.

### **INFLUENCE OF TNC ON THE UKRAINE'S ECONOMY: ADVANTAGES AND DISADVANTAGES**

This article examines the operation of transnational corporations in crisis, and the impact of TNCs on Ukraine's economy, perspective directions of interaction between multinationals and domestic economic system. The main conclusions are as follows:

Transnational corporations are seen as powerful regulators of international capital flows, division of labor and production, accounting, about a quarter of global GDP, half the volume of world trade; of 750 thousand patents that are registered per year, 80% owned by multinationals. The FDI which performed by multinational corporations is 75–90% of the world.

Foreign direct investment in the global economy in 2013 grew by 9 percent. But in Ukraine over the past two years, there was a record decline in foreign investment activity almost tripled. One of the reasons is the withdrawal of a number of assets by investors, especially from the banking sector.

Statistical analysis of the sectoral structure of FDI for 2012 indicate a continuing high interest of foreign investors in the economic activities with high capitalization of profits, but the remark foreign investors remain technology-intensive industry, the share of FDI was only 1%. According to regional preferences of foreign investors remain stretch industrialized development regions and Kyiv.

Considering the positive and negative impact of expansion of the national economy by foreign TNCs, governments need to develop flexible, adapted to the current situation mechanisms regulating their activities in order to preserve the national interests of Ukraine.

### **FORMING THE KNOWLEDGE ECONOMY IN THE CONTEXT OF ECONOMIC GROWTH**

The article covers the research of the role of the knowledge economy in the process of constructing the effective economy which is characterized by permanent economic growth and based on knowledge as a resource and a product.

Ukraine has scientific and technical as well as educational potential which is able not only to accelerate motion to the knowledge society being managed properly but also outstrip most of the developed countries. For this purpose urgent and radical reorientation of the country's socio-economic policy targeted at development of all the tools of the cognitive process is needed including creation of knowledge, its distribution and consolidation, storage and accumulation as well as usage.

Priority directions of state support of the basic components of the knowledge economy are considered in the article. The necessity of forming the strategic planning system of scientific development on the macrolevel which is aimed at innovative development of Ukraine's economy and finding solutions to the long-term problems of the economic growth is substantiated.

The author suggests creating the administrative and decentralized but informatively centralized system of strategic planning not only at the level of businesses and organizations but also within the framework of territorial and macroeconomic complexes. Such a multilevel mechanism is able to overcome subdivision of the economy, smooth over the negative effects of the stage which the country is experiencing, discipline sometimes unforeseen behaviour of the agents and reduce excessive costs of overcoming investment risks.

The state must play a crucial role in forming the knowledge economy, in all the spheres of development and in the process of generating the factors of economic growth.

In addition, it is possible to assert that at present Ukraine is at the crossroads of its historical way. It is related to the choice of one of the two possible directions: either its own way conditioned by its history, natural conditions, national peculiarities and culture leading through the stages of the knowledge economy, institutes etc, or the way following the other countries and having slight leadership opportunities. The way which Ukraine is going to follow depends on the position of the Ukrainian society and power-holding structures.

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*T.O. Kostenko*

### **EFFECT OF INNOVATION ACTIVITY ON LABOUR PRODUCTIVITY IN ENTERPRISES OF SUGAR INDUSTRY**

Major issues of the Ukrainian economy are known to comprise low labour productivity, inefficient use of all kinds of economic resources, low technical and technological level of production, noncompetitiveness of basic types of domestic products, low percentage of high-tech products, wages and quality of life.

On the one hand, it is well known that steady economic development and competitiveness growth under globalization is impossible without raising labour productivity. On the other hand, publications on the subject of labour productivity almost evaporate from national scientific journals and also such information is not completely reflected in official statistics.

The task for raising labour productivity as a source of real economic growth becomes vital particularly for any market economy. Nowadays economic leaders become not those countries which possess vast natural resources but those which are capable to achieve high levels of labour productivity.

The main and inexhaustible source of labour productivity growth in domestic enterprises is their innovative activity. Nobel Prize Winner Robert Solow proved that labour productivity growth was ensured by 87% through the use of scientific and technological progress and only 13% – due to new investments. Activation of innovation activity is the best opportunity to increase the level of labour productivity in Ukrainian sugar enterprises.

Sugar industry faced great difficulties in modern conditions. Since independence of Ukraine from 192 sugar mills only 38 of them were involved in production in 2013. This led to a decrease in the number of jobs, increasing distance transport of sugar beet, reducing the acreage of sugar beet, a lower labour productivity at existing sugar mills, breach of crop rotation in agriculture, significant reduction of export potential and the emergence of social tension in regions. Ukraine started importing sugar investing foreign manufacturers, while their own fields and processing facilities idle.

In order to ensure the viability of sugar mills, increase their competitiveness on domestic and foreign markets and increase efficiency of production, sugar industry needs to choose an innovative type of development. And one of the main ways to achieve it is to increase labour productivity in the sugar sector enterprises through the introduction of innovations.

The purpose of the article is to determine the impact of innovation on productivity growth in enterprises of sugar industry in Ukraine. The object of research is the process of improving productivity in domestic sugar enterprises. The subject of study is the set of theoretical and practical issues of labour productivity growth due to innovation in domestic enterprises of sugar industry. Introduction of innovations in sugar-beet production will contribute to the development of industry, increase competitiveness and quality of sugar. Developed sugar industry means the increase of employment, the effective operation of agriculture sector, and in future – the strategic raw material for energy independence of our country.

УДК 339.9

*S.V. Kuzminov*

## **TRANSBORDER FLOW OF CAPITAL FROM KEYNESIAN GROWTH THEORY'S VIEWPOINT**

Keynesianism is not exhausted its methodological potential yet. The current economic crisis has strengthened interest of scholars in this area of economic thought. Keynesianism was formed in conditions similar to the present. Accordingly, it gives an advantage to Keynesians in describing the real state of affairs in comparison to competing schools of economic thought. The second strength of Keynesianism is focus on the recommendations for the state. While neoliberals insist on the principle of *laissez faire*, the Keynesians suggest clear and simple receipts of overcoming the crisis.

**But in the modern conditions we are not able to ignore interdependence between national economy and the World economy.** One of the most painful problems is the problem of excessive cross-border mobility of capital. The main threats of this process are possible predatory acquisition and macroeconomic destabilization. Keynesian model of economic growth which was developed by Domar and Harrod, suggests sustainability of economic growth as ultimate precondition of macroeconomic stability. Cross-border mobility of capital affects total value of investments in the national economy which in turn causes unpredictable fluctuations of real output.

It is believed that in contemporary condition there should be automatic regulators of cross-border mobility. It is suggested to set quotas (with restricted validity) for exporting foreign currency. Such quotas should be tradable at auction. Payments for quota would act as flexible regulator of cross-border outflow of capital.

Additional benefit of partial cleavage of internal and external exchange rates is semi-automatic regulation of foreign payments.

УДК 339.9

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## **RESEARCH MNC'S INFLUENCE ON HOME AND DESTINATION COUNTRY**

The modern stage development of the global economy is characterized globalization and internationalization processes intensification, which is a precondition of transnationalization processes development. Despite the large number research on the problem of MNCs influence on home and destination country in the conditions of global trade development, such research are relevant for Ukraine, as the host country, because modern integration processes are characterized by intensification of MNCs activity on its domestic market.

Activation of economic cooperation among countries, internationalization of production liberalization of trade regimes, increased openness of national economies, increased of cooperation and product specialization of countries thus an increasing national economies depending from MNCs activity on their domestic markets. It is necessary to investigate the influence of MNCs on home and host country in order to develop a mechanism of MNCs activity multilevel regulating.

The relationship of MNCs and the home country can be extremely difficult, and even conflicting, but today it is the existence of large competitive corporations on international level determines the degree of participation in the international division of labor and its integration into the structure of the world economy. Majority countries of the world shall encourage and promote the transnationalization processes of national corporations, realizing that achievement of international competitiveness is only possible at presence a developed and economically powerful internationalized sector of the national economy.

### **MODERN APPROACHES TO THE VALUATION OF SOFTWARE PRODUCTS**

The article generalizes the experience in computer software value estimation. The following approaches to valuating the market value of the software are studied and analyzed: comparative approach that employs analyzing the price of the similar products that are currently traded; revenue-based approach which anticipates future profit that can be made by the software owner; cost-based approach which includes analyzing the spending for development, advertising, and selling of the software.

Software development is remarkable for its very high levels of uncertainty and innovation, thus there can be several solutions to a given problem which require different scope of work, have respectively varied complexity and final cost of the software. If the cost estimates for the software are highly overstated, it is impossible to accurately determine the required amounts of financial and time resources. Conversely, should the estimates be understated, there will be not enough financial and time resources for the development which leads to a crisis. It is advisable to use the approaches to software cost estimation in the following order: the revenue-based approach should be used first, then the comparative one with the cost-based approach at the end.

Basic COCOMO model is rather approximate as it does not involve differences in equipment, qualification of the developers, and complexity of the software. Intermediate COCOMO gives more precise estimate of software costs due to inclusion of fifteen attributes that define peculiarities of the given software. Detailed COCOMO increases the precision of the estimates further by hierarchically decomposing the software and calculation of the cost factors for each decomposition level and phase of work. However, each approach can have its own merits in some particular cases.

### **FINANCIAL AGRICULTURE INVESTMENTS IN POLAND WITH EU FUNDS AS AN EXAMPLE OF LODZ PROVINCE**

The article is dedicated analysts of the financial subsidies to agriculture in Poland from EU funds as an example of Lodz province.

Presented meaningful description of two EU programs aimed at the development of rural areas – «Facilitating the start to young farmers» and «modernization of agriculture». The «Facilitating the start to young farmers» provides financial support to young farmers and villagers in the establishment or acquisition of farms and agricultural infrastructure. The program «Modernization of agriculture» aims to improve the efficiency of farms by introducing new technologies and diversifying agricultural production.

The results of a survey conducted among farmers Lodz province, on the effectiveness of financial subsidies to the European Union. The study was conducted between April and May 2014, which was attended by 20 farmers who receive funding from EU programs. Survey results indicate the effectiveness of existing programs. The biggest benefit from participation in the procedure is to facilitate establishment and modernization of the economy, increasing production and tailor it to the needs of the market. Disadvantages of programs recognized lack of subsidies, malfunctioning of information systems on existing EU programs and increasing demands in the training of the necessary documentation for the competition for funding.

**IMPACT OF THE GLOBAL DEVELOPMENT OF TELECOMMUNICATIONS  
AND INFORMATION TECHNOLOGIES ON THE PROCESS  
OF DEMOCRATIZATION AND FORMATION OF CIVIL SOCIETY**

The article explores the impact of information technology issues and telecommunications features on processes of social transformation. For an accurate understanding of this influence the following hypotheses subjected to statistical testing were formulated:

– Hypothesis 1: The level of information technology and telecommunications utilization depends on the market conditions.

– Hypothesis 2: The level of information technology and telecommunications utilization depends on the market infrastructure.

– Hypothesis 3: Information technology and telecommunications are fashionable trend and that significantly affects its consumption.

– Hypothesis 4: The level of information technology and telecommunications utilization depends on the socio-cultural characteristics of a single country, but is not directly linked to the achieved level of social development and practically has no effect on it.

– Hypothesis 5: In a certain period for a specific country striving for new economics products becomes abnormal and does not correspond to the market trends, or particularly social development.

– Hypothesis 6: The achieved level of social development is determining the role and place of information technology and telecommunications in the activities of people.

– Hypothesis 7: The level of information technology and telecommunications utilization has a significant impact on the dynamics and nature of the processes of social development.

On the basis of the correlation analysis of the relationship between relative growth on information technology and communication expenses and the dynamics of the economy as a whole, which was estimated from the rate of change of GDP and GNI, the hypothesis 1 received some support. However, the decisive conclusion about its fairness requires further study.

**INFLUENCE OF RELIGIOUS FACTORS ON EUROPEAN INTEGRATION  
COURSE IN UKRAINE**

The main focus of our study is impact of ethnic and religious distinction, as well as of industrial and economic factors on Ukraine's European integration course.

The objective of this work is to analyze impact of religious factors on European progress of Ukraine and to find ways to consolidate Ukrainians. When considering this issue, it is significant to note that the Orthodox Church has been and remains the leading denomination in the regions of Ukraine having the most developed economies. Taking this into account, the desire for European integration should be consistent to the need of the society consolidation and preserving the state integrity. It is obvious that religious factor is really important factor which affects the choice of foreign policy orientation of citizens of Ukraine. European integration is supported by the most part of Ukraine, but not by all, which is justified economically (Ukraine's goods turnover with EU and Russia are approximately equal). It means that in terms of economic interests, and in terms of maintaining social harmony, it is necessary to seek a compromise. Therefore, Ukraine Orthodox Church sees European integration in communication between Slavic Orthodox and Western civilizations within Europe. Steps towards

European integration marked the beginning of big European way. However, our political elite have yet to show greater will to change. European integration, among other support resources, requires assistance and involvement of the Ukrainian Orthodox Church.

Thus, mutual influence of religious and economic factors on European integration should be considered as a multi-level and multi-effort process.

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### **SYSTEM OF ENTERPRISE'S COMPETITIVENESS MANAGEMENT**

Management of competitiveness is regarded as one of the aspects of management actions is aimed at the formation, development and implementation of competitive advantage and ensures the viability of the enterprise as an economic entity of competition.

From the standpoint of the process approach management of competitiveness is seen as the process of implementing the aggregate management functions. Their implementation in connection forms a loop that is performed by the system.

Management system of the enterprise competitiveness is considered as a set of interrelated elements combined into blocks. Purposeful action elements in a complex solves the problems of operational decision-making adjustments based on the periodic calculation according to statistics the level of competitiveness in order to maintain or change depending on the defined scope of activities or tasks on their growth and management.

Management system of the enterprise competitiveness is a block diagram of the organizational and economic mechanism, the structure of which form the eight program-target blocks.

Among them allocated control units and system level factors in ensuring competitiveness. Implementation of these blocks allows coordinating management actions to achieve a given level of competitiveness in order to respond rapidly to changes in the impact of external and internal environment.

УДК 339.92:339.7

*Ye.A. Polishchuk*

### **THE ROLE OF EURO INTEGRATION PROCESS IN DEVELOPMENT OF NON-BANK FINANCIAL INSTITUTIONS**

The article highlights the results of investigations of the European integration process on the development of non-bank financial institutions in Ukraine. Solution based on critical analysis of the scientific literature on the theoretical principles of integration determines its nature and provides a brief description of the different concepts of integration. The author notes that European integration – a process characterized by political, economic, legal, cultural and social integration of all European countries or parts of them. So the integration of Ukrainian financial market is the component of economic integration. The author also proves its necessity in the development of non-bank financial institutions: in terms of European integration is absolutisation financial value; change vector development of national financial markets, their entry of euro finance orientation; destruction of monopoly banks on accumulation and distribution of funds; European integration in the non-bank financial institutions, in addition to core business (mediation), engaged in direct investment. The article mentioned about the potential risks that may face domestic financial market. We consider both direct and indirect methods of control capital movements. Also the main directions of domestic and foreign policy have to be

taken to integrate the financial market of Ukraine, including non-bank financial institutions in the financial sector in the European Union.

УДК 658.5

*I.V. Popovychenko*

#### **ANALYSIS OF THE POSSIBILITIES OF IMPLEMENTING CATEGORY MANAGEMENT ACTIVITIES IN PRODUCTION AND TRADE ENTERPRISES**

Implementation and development of the concept of category management in business practices as a means of rational organization of resources to improve the efficiency of the final result (increase in sales), is relevant and worthy of the attention of specialists. Traditionally used category management in retail networks, and is considered as the management of shopping space and a range based on the separation range for a group of similar products. But, we offer to analyze the possibility and the features of implementation of category management for commercial and industrial enterprises, as the concept of rational building a business based on the process approach.

The article proposes principle of transformation of the organizational structure of the enterprise in the matrix during the implementation of category management on the basis of the process approach (business process reengineering). Proposed principle allows to identify how costs by category (business processes) and by functional area. Comparing these costs with income (revenue) from the sale of each category, you can talk about the performance of each category manager (A, B, C) and, accordingly, their motivation on the basis of these indicators. The result of the implementation of category management for production and commercial enterprise will improve its competitiveness by improving not only the product itself, but also by improving the process of bringing the product to the end user.

УДК 378:507.7

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#### **SPECIALIZED PROFESSIONAL EDUCATION IN THE BIOSPHERE REGION: ECO-SOCIO-ECONOMIC CONTINUUM**

Today development of the education system, training and experience transfer to the next generations are the most important tasks. The education of the 21<sup>st</sup> century is the process with the help of which a person and a society can fully develop their potential. The system of the educated people integration interdependency will enable to solve not only the problems in the sphere of economics but also in the social, ecological and cultural spheres. Later the world education net will enable the development of the sole approach to the life of the civilization. The cognitization role enhancing is a general nature evolution tendency and the region is not the exception.

Thus, the education economy is implemented in two aspects:

First, in terms of the sphere of economy that has its own structure and features characteristic to the education system.

Second, it is a part of the branch economies which study the role of the education system in the economy, the organizational and economical mechanism of education functioning, the educational activity financing and socio-economic effectiveness of the educational activity for the society.

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*O.R. Sergeeva*

### **ORGANIZATIONAL AND ECONOMIC SUPPORT COMPETITIVENESS OF COMMERCIAL ENTERPRISES**

Organizational and economic support (OES) competitiveness commercial enterprise, allows achieving competitive advantage and contributing to the effective functioning.

Organizational and economic support competitiveness of commercial enterprises is a system of interrelated organizational actions that achieve the goals of the company and interdependent and interrelated system of economic actions that are implemented using techniques designed to achieve these goals to ensure an acceptable level of competitiveness.

In the case of organizational and economic OES units achieved an acceptable level for commercial enterprise competitiveness, providing enterprise's operational efficiency in the target market.

УДК 658.8

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### **DEVELOPMENT OF MARKETING STRATEGY OF THE ENTERPRISE ACCORDING TO RESULTS OF COMPETITIVE ANALYSIS**

Under the economic crisis aggravated the uncertainty of the business environment of the enterprises operating in the consumer market, in particular – in the confectionery industry. The market stops its growing or shrinking, the sales primarily lose by businesses that do not have a clear marketing strategy.

Competitive analysis, performed using matrix competitiveness showed, that the products under the trademark «Volshebstvo» takes the middle position for most parameters of competitiveness in the confectionery market of Dnepropetrovsk region. To the low performance include poor marketing activities and work with channels. The strengths are the good taste of cakes and relatively low prices.

Using the SWOT-analysis found that marketing and financial audit of the internal and external environment, development and timely adjustment strategies depending on the market situation, good positioning and product promotion will reinforce strengths, eliminate weaknesses, overcome threats and realize market opportunities.

It was established that technological superiority of competing companies makes quite low prices by reducing costs, particularly by reducing the share of manual labor.

It is recommended to choose the company strategy of optimal cost, which includes increasing customer value through high quality products at competitive prices or lower prices for products whose quality is similar competitive products. This strategy combines two components namely strategy of differentiation and low prices strategy to provide greater value to the consumer.

For effective implementation of the proposed strategy to sustain competitive position in a crisis the company should implement the restructuring of the marketing mix (goods, pricing, goods movement system and promotion).

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### **EUROPEAN PROSPECTS OF UKRAINIAN SMALL BUSINESS**

The article describes the experience of development of small and medium business in some European countries, new EU members; the essence of the EU economic policy aimed

at ensuring optimal conditions for entrepreneurial activity and improving the competitiveness of its subjects.

The experience of many European countries shows that the European integration path is thorny and difficult and overcoming it requires a huge effort. The most vulnerable from European problems are small and medium enterprises.

For the saving, maintenance and development of small and medium business of Ukraine, the state has to:

1. Build relationships with small and medium business based on balance of interests.
2. Bring conditions of business activities to the European standards.
3. Liberalize the tax and banking systems, with the aim of creating favorable conditions for attracting foreign investment.
4. Use the positive experience of countries, new members of the EU, for liberalization process of creation and functioning of small and medium enterprises.
5. Improve the effectiveness of budget support agricultural producers, including small and medium sized enterprises to improve their competitiveness in foreign markets.
6. Stimulate increased production of agricultural raw materials (e.g. sunflower seeds) while maintaining the fertility of agricultural land.
7. Promote the development of small enterprises based on the expansion of their franchising activities both foreign and large domestic producers.
8. Encourage domestic producers to the development of markets in the third countries.
9. Promote innovative activity of small enterprises in order to increase the production of competitive products.
10. Stimulate small businesses to participate in the substitution.
11. Uphold the creation and development of small and medium enterprises that use innovative technologies, developing ancient crafts, to promote production, symbolizing the originality of Ukrainian culture.

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### **CURRENT STATE OF RESTAURANT BUSINESS IN ZAPORIZHZHYA REGION**

The following article presents a widely discussed issue of restaurant business development in Zaporizhzhya Region. Developmental aspect in restaurant field is a topical problem because of its economic and social significance. Current state of restaurant business companies in Zaporizhzhya Region has been examined. The article aims to analyse the current state and dynamics of restaurant business companies in Zaporizhzhya Region, as well as the evaluation and determining of its development potential. Current status and dynamics analysis of restaurant business in the region has been carried out using statistical data of the Main Statistical Department in Zaporizhzhya Region. Restaurant business companies' classification is offered; restaurant quantity in Zaporizhzhya Region is examined for the period from 2009 to 2013, their dynamic is shown. The biggest part of restaurant business objects (87,4%) is situated in cities and regional towns. Citizens' demands satisfaction with catering chains in Zaporizhzhya Region has been determined as on 01.01.14 per 10.000 people, which declined during the year 2013 and amounted to 3 objects per 10.000 people. Retail sales of restaurant chains in Zaporizhzhya Region have been examined (as on 01.01.14, in thousands of UAH), which has a positive dynamics in spite of restaurant enterprises reduction. Providing citizens with restaurant chain business by separate regions has been shown and the position of Zaporizhzhya region has been specified. Practical implementation of the basic points on the current state of restaurant

business with the help of scientific approaches and recommendations may contribute to economic and social problems solving and enable functional work in service sector, also it will make it possible for state and local authorities to increase the cash flow.

УДК 314.17

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### **FALL OF LIFE AS A FACTOR DEMOGRAPHIC CRISIS IN UKRAINE**

Transformational changes are to society not only desirable, but also highly undesirable, even socially dangerous consequences. This primarily applies to aggravation of the demographic crisis in Ukraine. Analysis of the current demographic situation and the dynamics of recent years indicate the presence of Ukraine together with socio-economic problems of deep demographic crisis. The crisis in this area primarily manifested in the dynamic reduction of the population of Ukraine due to lower life expectancy, mortality rates rise, the rapid decline in fertility and a dangerous increase in the negative balance of migration.

Today the population is marginalized, and continues to be one of the main signs of declining public relations and corresponding deterioration in living standards.

Effective government support fair standard of living most vulnerable segments of the population, especially young people, improving social and economic mechanisms of social protection is an extremely important area of public policy, to counter the demographic crisis.

УДК 620.9

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### **PROBLEM OF ASSESSING THE TECHNICAL CONDITIONS OF THE FIXED ASSETS OF NPC «UKRENERGO»: REASONS, CONSEQUENCES AND WAYS OF SOLVING**

The technical condition of the fixed assets of NPC «Ukrenergo» is the starting point which determines the advantages and disadvantages, opportunities and threats while the work of the enterprise. Therefore, the rational management of the current activities and future development of NPC «Ukrenergo» seem to be impossible without appropriate, reliable, complete and timely information and this fact proves the particular relevance of the studies conducted in the research article.

The paper considers the performance requirements as for the technical condition of the fixed assets, with the simultaneous compliance of which providing actual results of the analysis conducted on their basis, namely these are the requirements of adequacy, comparability, accuracy and completeness of the measurements. There has been carried out the estimation of technical conditions of the fixed assets of NPC «Ukrenergo» based on their lifetime parameters and the coefficients of their wear life. It has been proved that these figures do not fully meet the requirements above mentioned and the reasonable grounds for such a discrepancy have been given. In addition, on the base of these parameters there have been indicated the major contradictions among the results of the assessments of the technical condition of the fixed assets of NPC «Ukrenergo». It has been proved that these differences are caused by both the essence of performances and distortion of the data needed for their calculation.

This paper analyzes the reasons and consequences of the actual data curvature on the initial and final values of the fixed assets. By considering the significant negative consequences of such a distortion, there has been proved the necessity of adjusting the data as for the costs

and depreciation of the fixed assets of NPC «Ukrenergo», in particular through their indexing or evaluation.

УДК 339.92

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### **GLOBALIZATION AS A FACTOR OF INFLUENCE ON THE LOGISTICS MANAGEMENT PROCESS OF ENTERPRISES FOREIGN ECONOMIC ACTIVITY**

The essence of logistics management of enterprises foreign economic activity in the context of globalization has been considered in this paper. Three conceptually different approaches to definition the essence of globalization: apologetic, alterglobalism, has been analyzed, It enable the authors to define globalization as an objective phenomenon of our time, which develops and operates under the laws that are created under the influence of internationalization of the economy, culture, science, technology, foreign trade. The level of globalization in specific areas has been defined.

The definition «logistics of foreign economic activity» has been formulated basing on research in logistics and organization of foreign economic activity. Logistics of foreign economic activity is a science about the material management and related with it documentary, financial and other information flows within the international exchange of goods for the effective use of all resources.

It has been proved that international trade is carried out through the use of transport and logistics infrastructure, providing transportation of goods in intermodal and multimodal schemes. In today's global economy, realization of international transportations is not possible without well-developed logistics infrastructure at the national and international level.

It has been proved that the practical realization of the foreign economic activity logistics methodology is expressed through its functional tools.

It has been concluded that globalization contributes optimization of resource allocation; products diversification and increasing their quality, at the same time stimulate the development of the entire international transport and logistical infrastructure which serves international logistical infrastructure.

УДК 658.08

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### **THE THEORETICAL ASPECTS OF BECOMING A SUCCESSFUL BRAND**

The purpose of writing «The innovative aspects of becoming a successful brand» is the study of the theoretical foundations and the development of practical recommendations for innovative brand management foundations as part of marketing communications. This objective will be realized through the following objectives: definition of the brand and its characteristics, the study of information communication levels and building brand communication using an innovative model of information levels.

Structuring the brand we recommend starting with level values, adjusting it so as to create the most qualitative «common element» through which brand and will communicate with the consumer. Why should I start with equal value? Because it is the highest, is responsible for the motivation of consumer behaviour and is available for the full study.

Formation of equal value is useful to start with a brand value of customers related to product quality. But there is one feature: simple brand values provide the consumer associat-

ed with the qualities of the product, but it does not give the desired result because it does not involves the interaction. We believe that this value should be «addressed» to the consumer.

The result of this work can be a unique brand, which are characteristic of functional and emotional characteristics that set it apart from competing brands and with the maximum number of «common elements» with the consumer information at all levels.