K. Voytsitskaya, student
A. Dykyy, Phd. in Ec., As. Prof., research advisor
I. Kovalchuk, language advisor
Zhytomyr State Technological University

THE OPTIMIZATION OF THE CAPITAL STRUCTURE OF THE ENTERPRISE IN THE MODERN CONDITIONS OF THE ECONOMY

The actuality of the research is that the most important directions in the activity of any entity is related to the movement of capital, but today economic theory cannot give satisfactory answers to the problem of determining the optimal capital structure.

The aim of this research is to explore methods of regulation that exist nowadays and optimization of the capital structure of the company and identify positive and negative features of the equity and loan capital usage.

The capital structure of the enterprise describes the ratio of equity and loan capital for development that involves different sources of funding with a view to long-term development of the company. The success of the planned development strategy entity depends on methods and techniques, which are used to optimize the capital structure.

The problem of enterprise choice financing arises while choosing a circuit structure of equity formation. As world practice shows – financing through equity deprives business for certain financial risks, but at the same time inhibits the growth of business and revenues. Speaking about loan capital, we should mention that it allows to increase and expand the business, provides competent management and distribution. But in this case the capital structure can not be built ideally, because when borrowed funds dominate their own, there are other risks, for example, the risk of insolvency.

Accordingly, each company must find only its inherent feature in structure, which optimizes the results of its financial activities and will be intended to implement at least two of the possible targets or increase profitability or focus on maintaining stability.

The optimization of the capital structure is determined by many factors, including:

- strategy and objectives of the company;
- streamlining processes in the company (manufacturing process and manufacturing technology products, placement of equipment);
- optimizing the financial structure;
- duration of the production cycle;
- company size.

The process of the capital optimization structure implements in this logical sequence:

1) Analysis of the composition and structure of capital carries out for some periods. Parameters analyzes, such as the ratio of financial independence, tensions, the relationship between short-term and long-term commitments [1].
2) Evaluated key factors that determine the capital structure:

- industry features of financial and economic activity;
- conjuncture of commodity and financial markets;
- profitability of current activities;
- the tax burden on business;

- life cycle of the company.

These factors are taken into account when managing capital structure of the enterprise and provide for the following tasks:

- installation using suitable proportions of equity and loan capital;
- provision as necessary to attract additional domestic and foreign capital [1].

The optimal capital structure is a ratio of loan capital and equity sources, at which maximizes the market value of the enterprise. It is necessary to consider each part of the capital, while its optimization.

Advantages of equity:

- Simply to attract.
- The high rate of returning the invested capital.
- Low risk of losing financial stability and bankruptcy.
- Greater ability to generate profits in all areas.

Disadvantages of equity:

- The expansion of economic activities is very difficult due to the limited amount of attraction.
- Do not use the opportunity to gain coefficient of return on equity by borrowing.

Thus, the company that will use only its own resources, has the highest financial strength, but limited possibilities of profit growth.

Advantages of loan capital:

- Great opportunity of raising capital.
- Providing the growth of financial potential.
- The ability to generate the growth of financial profitability and the coefficient of return on equity.

Disadvantages of loan capital:

- Difficult attracting.
- The need of collateral or guarantees.
- The assets generate lower profit margins.
- Low financial stability of the company.
- The risk of insolvency.
- The dependence on the fluctuations of the stock market.

Therefore, optimization of the organizations' capital structure is one of the most important and difficult tasks of financial management.

Research of the regulation methods and optimization of the capital structure has allowed the following conclusions:

1. The ratio between equity and loan capital is determined for each company individually.
2. During the process of capital optimization structure is necessary to consider the goals of the organization or increase the profitability, or focus on maintaining stability.
3. The most rational method for achieving the optimal ratio of structural elements of the company's capital can be a method that is based on the simultaneous maximization of owner's equity profitability growth and level of financial stability.

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