for 12-14 years [6]. It is easy to present that if already now not to begin purposeful work in this direction, the specified gap considerably will increase.

In the conclusion it would be desirable to note that as taxes play an important role in development of the state and, therefore, civil society in Kazakhstan, formation of tax system has to be considered as historically important stage of development of the society which consequences will have long-term strategic character. Therefore, studying practice of the taxation of various states, we have to allocate, both advantages, and shortcomings. And already on the basis of experience of the past to construct the legally competent tax system.

Bibliography:

[1] Nazarbaev N. Kazakhstan – 2030. Almaty: book.«Данекер», 2001.
[2] Barulin S.V., Taxes as instrument of state regulation of economy, Finance, 1 (1996), P.5-19.
[3] Auezhanov A.B. Business activity - an objective basis of the organization of small business, Finance, 3 (2009), P. 73-76.
[4] Finance, available at: www.samruk-kazyna.kz
[5] State program on the development of the Republic of Kazakhstan forced industrial innovatively for 2010 – 2014
[6] Shirshova L.V. The analysis of development of small and average business in RK, Vestnik, 2 (2011), P. 116-123.

FEATURES ANALYSIS OF FINANCIAL STABILITY OF ECONOMIC UNITS

Ainura K. Zhakhmetova, Bauyrzhan S. Yessengeldin
Academician E.A.Buketov Karaganda State University
28, Universitetskaya st., Karaganda, Kazakhstan, 100028

The article discusses the importance of assessment of financial stability and the need for an analysis of its financial condition. Besides nowadays, there are the problems related to the insolvency of contracting parties decision of which significantly affects the efficiency of the functioning and the financial condition of the company. By reforming of the enterprises in the modern economy, the management techniques of financial stability are substantiated corresponding to a qualitatively of new requirements. Indicators characterizing to the level of financial stability are refined. The factors affecting the financial stability of the company are studied.

The up-to-date period of economic development of Kazakhstan and the world economy is characterized by fundamental changes caused about by the need to respond of the global financial crisis.

In his address to the people of Kazakhstan “Strategy Kazakhstan–2050”: a new policy to the established state” President N.A.Nazarbayev noted that in the world there was a threat of a new wave of the global crisis”. We are observing now a continuation of the crisis 2007 – 2009’s from which the world economy is still not out. In 2013 – 2014 years the global economic system can again give a new failure, in particular, there may be a collapse in global commodity prices that could affect us adversely. Therefore, we must be fully prepared to take preventive measures to this situation to us to pay for the benefit of the country”, – said N. Nazarbayev [1].

Consequences of the crisis significantly affect not only the country’s financial system, but also adversely affect the activities of the real economy.

In order that the company can successfully operate and develop in a market economy, it is necessary to continually invest various funds (financial, material, intellectual resources etc.). They are sent to replace retiring due to depreciation of fixed assets; modernization and overhaul of fixed assets; technical reequipment, renovation and new construction in connection with the expansion of the scale or the development of new economic activities; replenishment of working capital due to higher production of output; training and retraining and also skills development; conducting research and development work; conducting environmental activities etc.

In crisis conditions-the guarantee of survival and stability of the enterprise foundation is its financial stability. Delimitation of financial stability is one of the most important economic problems in a market economy and the global crisis, because insufficient financial stability may lead to a lack of funds for the enterprise development of production, their insolvency and, ultimately, to bankruptcy but “excess” resistance will prevent the development, burdening costs of company and excess inventory reserves. The work of enterprises in any form of ownership is based on full cost accounting in the market economy. This method of management is based on the scientific organization of financial management. It helps to improve financial relations, operational and economic independence, and material interest. Solvency and financial stability are essential characteristics of financial and economic activity of the enterprise in the market economy. If the company is financially stability and solvency, it has an advantage over the other companies in the same field in attracting investment in obtaining loans, supplier selection and recruitment of qualified personnel. Finally, it does not conflict with the state and society, as pays taxes to the budget in a timely manner, social contributions, wage – workers and employees, dividends – shareholders, banks and guarantees the repayment of loans and payment of interest to them. The higher stability of the enterprise, the more it regardless of unexpected changes in the market and, consequently, the less the risk of being on the edge of bankruptcy.

It is necessary to have for evaluation of the financial stability analysis and its financial condition. In addition, currently there are problems associated with the insolvency of counterparties, the solution of which will significantly affect the efficiency of the functioning and the financial condition of the company.

To develop the market company and to avoid the bankruptcy it is necessary to know how to manage finances, what should be the capital structure in its composition and education sources, what percentage should be taken own funds and what-earthly means. This contributes to the analysis and evaluation of the financial condition, that's way the topic of our thesis is not new but it is certainly actual today.

Financial sustainability of any business entity is an essential characteristic of its operations and the financial and economic well-being, it characterizes the result of its current, investment and financial development, contains the information required for the investor, but also reflects the company's ability to meet its debts and liabilities and develop their economic potential for the benefit of shareholders. The study of financial stability is an urgent problem both for the enterprise and for the state as a whole as the financial stability of the country, ultimately, depends on the financial stability of individual enterprises.

Financial stability of the company – it is a condition of its financial resources, its distribution and use which provides for the development of the enterprise on the basis of profits and capital growth while maintaining solvency and credit in conditions of risk tolerance.

Thus, this is a financially stable entity which through its own sources covers the funds invested in assets (fixed assets, intangible assets, current assets), it does not allow undue receivables and payables and paying on time on its obligations.

According to the definition, symptoms of financial stability are solvency and creditworthiness of the company.

Solvency of the company – it is its ability to timely and fully meet its payment obligations arising from trade and other different nature of payments.

Credibility - is the existence of the enterprise prerequisites to obtain credit and the ability to timely return their loans and interest due from profits or other financial resources.

The main objective of the analysis is to determine the financial stability of its level and its type, using a number of key performance indicators, tracking trends in these indicators and factors affecting their level. Factors affecting the financial stability can be divided into internal and external factors.

The internal factors of financial stability changes can be included:

1) branch accessory business entity;
2) the structure of the products (services), its share in the total effective demand;
3) the amount of authorized capital;
4) the level of costs, their dynamics compared to cash costs;
5) the condition of the property and financial resources, including stocks and reserves, their composition and structure.

The external factors of financial stability changes can be included:

1) economic business conditions;
2) dominant in society equipment and technology;
3) effective demand and income levels of consumers;
4) state tax policies, legislation to control the activities of the enterprise;
5) foreign economic relations.

Financial stability assessment conducted according to its financial statements. The most informative part of the financial statements is the balance sheet. Advanced diagnostic assessment of the financial condition of the company, we can do "reading" balance.

Reading balance – an assessment of the content of each article, its role in the enterprise due to other articles, the value of these bonds for business economics.

The ability to read a balance sheet helps to know:

1) to get a significant amount of information about the enterprise;
2) to determine the degree of security of the enterprise's own working capital;
3) to establish through which articles changed the value of current assets;
4) to assess the overall financial condition even without calculating analytical indicators.

Before reading a balance sheet it is necessary to verify the "goodness" the information contained therein and namely to evaluate the authenticity of balance, compliance with the required dimension; correctness of arithmetic (the balance sheet total, subtotal of direct and indirect control relationships) [2].

The modern form of balance enough analytic, contains a detailed breakdown of individual items (receivables species; fixed assets by type and value, and others). However, the overall rating of the financial condition of such detail is often not required. Therefore, it is advisable to seal the balance analytics to make the balance of net. Net balance differs from the full balance (gross) that the information is reduced by association, articles of consolidation. It should be borne in mind that a single, prescriptive procedure seal balance exists. Each researcher is the net balance in accordance with the purposes of analysis. Financial stability of the enterprise can be measured both absolute and relative terms.

As the absolute indicators of financial stability values are used to characterize the degree of coverage and cost sources of their formation.

Absolute indicators of financial stability can be divided into two groups:

– indicators of sources for the formation of reserves and costs;
– adequacy of funds for the formation of reserves and costs.

The order of their calculation is as follows:

1. Indicators of sources for the formation of reserves and costs

1.1. Presence of its own working capital= equity- long-term assets

OWC=E-LTA=5th section balance-2nd section balance (1)

1.2. Presence of long-term debt and own sources of reserves availability= presence of own long term debt and sources of inventory+ long-term borrowings

OWC/lt=OWC+4th section balance (2)

1.3. Total value of the major sources of reserves availability= presence of own long term debt and sources of inventory+ short-term borrowings

MS=OWC/lt+STB (3)

2. Adequacy of sources for the formation of reserves and costs

2.1. Surpluses(+); disadvantages (-)own sources and long-term debt=presence of own working capital-reserve

±OWC=OWC-R (4)

2.2. Surpluses(+); disadvantages (-)own sources and long-term debt= presence of own long term debt and sources of inventory-reserve

±OWC/lt= OWC/lt-R (5)

2.3. Surpluses(+); disadvantages (-)of total value of the major sources of reserves = total value of the major sources of reserves-reserve

±TS=TS-R (6)

Application of absolute indicators of financial stability in the context of inflation is limited due to their lack of comparability. At the same time, on the basis of absolute performance is determined by the type of financial stability. There are four types of financial stability: absolute stability, financial stability of the normal state of crisis and the unstable financial condition. Each of these types corresponds to a formalized relationship:

1).Specific financial stability R<OWC+L (7)

where L-bank loans under MA;

2).Normal stability of the financial condition:

1R<OWC+L (8)

3).Precarious financial condition:

1R<OWC+L=SDFS (9)

where SDFS- sources, debilitating financial stress, including:

a) temporarily available own funds;
b) funding (normal excess payable over accounts receivable);
c) bank loans for temporary working capital and other borrowed funds.

4). Crisis financial condition:

R<OWC+L (10)

It is not entirely correct because of differences scale of enterprises comparison of absolute indicators of financial stability.

Assess the depth of the crisis and make a comparative analysis, it is better to use the relative financial stability indicators.

The relative financial stability are more obvious and comparable. They can be compared with:

1). the generally accepted standards for assessing the degree of risk and the probability of bankruptcy;
2). those of other companies, to allow to identify the strengths and weaknesses of the company and its capabilities;
3). similar data from previous years to examine trends of improvement or deterioration in the financial condition of the company.

To clarify these conclusions also are helpful to calculate some of the financial ratios that characterize the financial situation of the company. Procedure for calculation and interpretation of the indicators used are generally accepted by different authors working in the field of economic analysis.

More precise characterization of solvency can provide liquidity.

There are two categories of liquidity – liquidity of assets and liquidity firms.

Liquidity of assets means the ability to turn into money. This takes into account how similar the conversion rate and the amount obtained as a result of transformation.

Liquidity of the company describes the coverage obligations of the company of its assets, the conversion period which corresponds money maturity obligations.

Thus, the method of analysis of a company's liquidity is to compare its assets, grouped according to their degree of liquidity, with its obligations grouped by maturity.

Grouping of assets by degree of liquidity:

A1.The most liquid assets – all articles of cash and short-term investments (securities);

A2. Marketable assets – short-term receivables and other current assets;

A3. Slowly realized assets – inventories and long-term investments (net of investments in the authorized share capital). Outcome of this group is also reduced by the amount of deferred expenses;

A4. Illiquid assets – non-current assets, excluding long-term investments (see the previous group).

Grouping liabilities by maturity:

P1. Most urgent liabilities – accounts payable; loans are not repaid on time, other short-term liabilities; loans for employees in the amount of the excess over the value of payments to employees for a loan;

P2. Current liabilities – short-term loans and borrowings, loans to employees;

P3. Long-term liabilities – long-term loans;

P4. Permanent liabilities – equity (reduced by the amount of deferred expenses to maintain the balance.)

Balance sheet is considered to be liquid if the following relation is considered:

$$\begin{cases} A1 \geq P1 \\ A2 \geq P2 \\ A3 \geq P3 \\ A4 \geq P4 \end{cases}$$

Failure of any of the first three inequalities indicating that liquidity balance differs from absolute; with compensation for the lack of funds for one group of surplus funds for other group is only cost nature, as payment in real situations less liquid assets can not be replaced by a liquid.

Liquidity analysis is used in the preparation of financial plans, in predicting settlements in the event of liquidation.

Number of external users of financial statements of the enterprise liquidity interests the persons representing commercial loans and shareholders [3].

The efficiency of any organization depends on its ability to generate profits and net income.

To assess the ability of companies to generate net income is used:

– analysis of the system of absolute profitability, including vertical analysis report on income and expenses;
– analysis of the relative profitability (profitability).

Vertical analysis of the income and expenses account to evaluate the dynamics of the share of each of the main elements of the total income of the enterprise.

Absolute rates of return can be attributed to the economic impact indicators.

The effectiveness of the company is measured by comparing the results of production (effect) or applied to the cost of resources. Comparing the resulting effect (income, production) to advance or consumption of resources (costs), we can define a number of performance indicators of the company. As a variety of performance indicators enterprise can be considered relative rates of return (profitability) of the enterprise.

Profitability indicators characterize the efficiency of the enterprise as a whole, the profitability of the various activities (industrial, commercial and investment), cost recovery etc. They better than net income (profit) reflect the final results of management.

Economic sense profitability is to determine how much currency net income (profit) is for monetary unit:

– capital;
– revenue;
– cost price [4].

During the analysis it is expedient to study the dynamics of these margins, the plan according to their levels and conduct inter-farm comparisons with companies in the sector, the respective competitors.

Internal financial analyst is usually interested in assessing the margins in terms of factors that led to their change. For this purpose it is used the conventional methods of factor analysis.

Efficiency of economic activity of the enterprise is manifested not only in the ability to generate revenue, but also in the level of use of the three basic elements of the production process: labor, means and objects of labor.

To start a business in any field requires a certain amount of cash, it is better to be acquired by the right amount of resources, organized process of production and marketing. Cash businesses are in constant motion, which can be compared with the blood circulation in the body.

The rate of turnover of the enterprise activity characterizes its financial activities, business activities in general.

As specific numerical indicators of business activity usually considered various financial turnover ratios to help us determine how efficiently the company uses its funds.

Turnover ratios are calculated as the ratio of income (revenue) from the sale of goods (works, services) to the average sum of the individual elements of capital or assets, the turnover rate of that is studied.

Modern economic reality makes business managers to make decisions under uncertainty. In terms of financial instability caused by the global financial crisis, commercial activity is fraught with various crises that could result in insolvency or bankruptcy.

Fundamental bankruptcy diagnostics are performed by conventional ratios of financial stability, solvency and liquidity.

The economic literature provides many techniques bankruptcy of evaluation organization with different set of factors used.

One of the base and the earliest models used by financial managers to diagnose bankruptcy model is created by Edward Altman, American economist. This model brought worldwide fame for him [5].

In general, the economic meaning of the model - function spanning several quantitative indicators and taking into account their weight (importance) in the final assessment.

Analysis of financial and economic activity of the enterprise should not rely on the financial statements themselves, and economic development, in which the translation from book language on public economic language has produced an accountant and economist.

Economic accounting will occupy a special place in the complex managerial, financial, tax and statistical accounting in the enterprise.

It should be noted that accounting forms little available adequate financial and economic analysis. They lost precious properties of the information contained in the general ledger: completeness, consistency, dynamism.

To create full-fledged economic documents in the enterprise, it is necessary to refer to the general ledger. However, it is not excluded the use of existing forms of accounting and we do not forget about them in this limited capacity.

During the period of exit from the global financial crisis requires new approaches to financial analysis, which allows giving a generalized and a deep appreciation of “financial health”, profitability and efficiency of the enterprise, the current and long-term solvency. Today, hardly anyone from academics and practitioners would argue that the assessment of solvency organization only under the balance sheet, excluding revenue from sales figures, the inflow and outflow of cash and turnover cash gives a true picture of the financial condition of entities. Doubt the adequacy and legitimacy of the use to assess the solvency of the organization of current and only absolute liquidity, asset security commitments, the share of own circulating assets in their total value.

Development of market relations raises the responsibility and independence of enterprises and other market agents in the preparation and management decisions.

The effectiveness of these decisions depends largely on the objective, timely and comprehensive assessment of the current and expected financial condition of the company.

Evaluation of the financial condition of the company has a great interest for a wide range of market participants.

Subjects are the economic service companies as well as interested in their activities, external users of information.

Each subject of the analysis examines the information based on their interests:

– the company wants to know what the financial situation is expected and what it needs to improve it;
– investors are interested to put their money with less risk;
– creditors and suppliers want to be sure the company's solvency;
– other structures, such as the State Tax Administration, want to be sure that the company will pay taxes.

Paramount importance acquires the mastery of new forms and methods of management in the economic and financial activity. Every enterprise or organization should plan its activities to the real financial opportunities: the expected profit, tax and non-tax payments and terms of attracting credit resources, investment regime and so forth. Effectiveness of economic and financial operations largely depends on the ability to calculate the revenues and costs, payments to the budget and extra-budgetary funds, the need for current assets, the impact of the planned investments.

Improving financial and credit relations require the consideration of characteristics in the organization of finance company, due to forms of ownership, industry-specific, business volumes.

With the development of the socio-economic system is observed the increase of the role of the human factor in its anti-crisis development which means not exception of crisis and not a fight with it but the confident and timely foresight, and possible its painless permission.

Of great importance is not only a system of indicators that reflect the main features of the crisis, but also the methodology for its design and implementation. In modern management mechanism it is its the weakest link. Ultimately, it is about the methodology recognition of crisis in all aspects of the process: the goal, indicators and their use in analyzing situations, the practical value of foresight crises.

In the study of the experience of foreign companies, it became apparent that one of the critical success factors in the market is the ability to react to the changes in consumption and the changes in the basis of that, the techno-economic policies, the organizational structure of production. Common to all foreign companies is also a focus on the tough market to meet the specific needs to function in conditions of the strategy of "product market", i.e. the area selection which take place into the activity of an enterprise.

Currently, the most compelling and reliable results in the analysis of various spheres of activity of the enterprise provides diagnostics of the financial condition of the company. It should be noted that the methods of analysis of financial statements and balance sheet are most common ubiquitously in the practice of business both for the large business and for the small and medium-sized firms. Formally, finances are only one of the aspects of the enterprise, but at the same time, money is the universal equivalent assessment of all business processes. Any aspect of the business is reflected in the financial position of the organization that defines a financial result expressed in the monetary terms.

Bibliography:

[1] Nazarbaev N. Kazakhstan – 2050. Almaty: Данекер, 2013.

[2] Artyomenko V.G. Financial Analysis: textbook V.G. Artyomenko, M.V. Bellendir. Moscow: DIS, NGAEiU, 2009.

[3] Kazakova G.N. Financial and Management Analysis. Workshop: Tutorial for Bachelor Degree majoring 5B050508 - "Accounting and Auditing", Karaganda, KSTU, 2011.

[4] Vasilyeva L.S., Peter M. Financial Analysis: textbook for universities 2nd ed., revised., ext., third stereotype. Moscow: INFRA-M, 2007.

[5] Abalkin L.I. The Logic of Economic Growth. Moscow: IE RAS, 2007.