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Funds Management as Relation System in Business Company for Highly Effective Finance Administration

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ABSTRACT

Particularly relevant in a period of increasing competition in all sectors of the economy, where the major indexes falling rapidly, is cost management in enterprises of different types. At the moment, there is a period of rapid growth of the completion of the majority of companies, and the transition in the process of mergers and acquisitions. The productivity of domestic branded business - processes rapidly is of paramount importance not only for the efficient operation, as well as to maintain its place in the market. The stumbling block in achieving operational efficiency of any enterprise is the existence of an effectively functioning system of the enterprise. Also note that the fundamental nature of the competitive position of the company in today's market is characterized by high efficiency of its financial management system of the company. Financial management system is a set of tools with which the company's management can rapidly generate accurate information about every aspect of the company. As well as to monitor for compliance with its performance tactical objectives and strategic plans, moreover, fully analyze the problems that arise in the operation of various types of enterprises, and to seek the best options for their solutions.

Keywords: Financial Administration, Financial Management, Budgeting, Transaction, Financial Resources, Financial Leverage
JEL Classifications: G02, G3, G32

1. INTRODUCTION

The development of market relations in our country is characterized by the growth of the role of finance in general and finance various sectors in particular. Finance companies are the main indicators that reflect the final results of their work. Quantitative and qualitative indicators of the financial condition of the company determine its place in the market and the ability to function in a free economic space. These aspects have led to a rapid increase in the role of financial management categories in the overall management of the economy. Particular attention was paid to this issue in the early 90s of the twentieth century, after Russia moved to a market economy with the administrative - command economy. The main mistake that allowed predecessors of modern economists, was the use of "shock therapy" - A sharp transition to market relations, after which there was a significant stratification of the population of Russia on the very rich and very poor.

Starting from the definition of management, from the English word "control" should be the definition of financial management - financial management, monetary circulation management process, the development and use of financial resources of companies. It is also a system of forms, methods and techniques, with the help of which the management of money in circulation and financial resources.

Enterprise management is the ability to efficient use of funds and other resources. Along with the system of forecasting and planning methods and decision-making in the field of management and ownership of the principles of financial management software technology is a basic condition for the functioning of the business. Financial management can be characterized as a money management company, with the aim of more efficient use of resources and capital from outside, as well as extracting the maximum profit. That is why the research topic is relevant.

When organizing a business - Any business process poses a number of questions, the most important of them are: What should be on the largest part of the company's assets, allowing to come to the set goals and achieve objectives; where to find sources of financing and what their optimum composition; how to organize financial management, ensuring the solvency and financial stability of the enterprise.

2. FINANCIAL MANAGEMENT AS AN ADMINISTRATION SYSTEM

Financial management - the science of efficient use of equity and debt Financial management - The science of effective use of own and borrowed funds of the company, obtaining the greatest profit at the lowest cost and minimizing the risks associated with its operation, the creation of the company more financially attractive, highly liquid, solvent and stable (Hraznova, 1999).

Speaking on the subject of financial management, in general, it is organizational, economic, legal and social issues that arise in the course of the financial activities of the enterprise. Development and application of methods and means to achieve the objectives of the company as a whole or its individual units - this is the goal of financial management.

Financial management tasks in the enterprise:
1. To establish the optimal level of accuracy of current financial resources necessary for the production and scientific and technological development;
2. Achieving rational use of financial resources generated by its core businesses;
3. Organization of cash flows;
4. Maximization in conditions acceptable level of business risk;
5. The pursuit of financial stability and solvency;
6. Alignment of tax payments;
7. The introduction of financial management on the basis of budgeting.

As management activities Financial Management consists of two elements (Figure 1): A control system and a control system.

As a discipline in financial management - The science of the management of the formation, distribution and use of financial resources of the entity and its effective circulation of cash (Vinichenko et al., 2016).

Financial management tasks are closely linked to the activities of the enterprise and include (Figure 2):
- Analysis and evaluation of the company's assets and sources of funding;
- Define the scope and areas of infusion of financial resources to ensure the development of economy of the enterprise;
- The development of long-term and short-term investment projects;

Figure 1: The structure of financial management as a management system (Kovalev and Volkova, 2012)

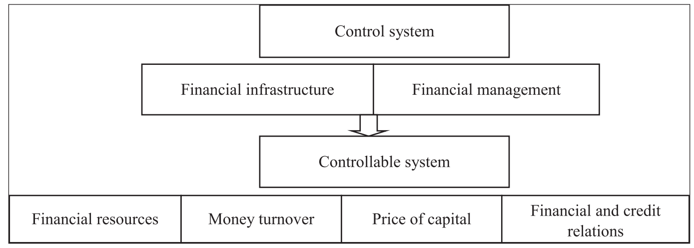
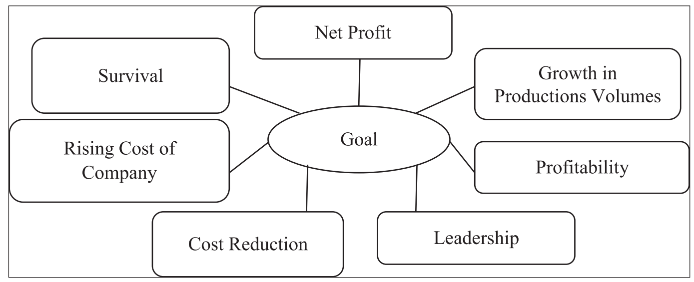


Figure 2: The goals and objectives of financial management



- Optimization of the structure of fixed and current assets;
- Control of the state and the effective use of financial resources of the company.

The object of management is a set of conditions for the exercise of monetary circulation and cash flow, the circulation of the enterprise value, the movement of financial resources and financial relations arising in internal and external environment of the enterprise. Thus, in the control object includes the following elements: Cash turnover, financial resources, capital turnover, financial relations.

The subject of management is a set of financial instruments, methods, technical means and specialists, as defined in the financial structure, which carry out purposeful functioning of object of management (Maksimenko, 2007; Gorbachenko et al., 2016).

For the most effective financial management, the company should follow the following principles:
1. To integrate financial management into the overall enterprise management system. Financial management as such is combined with operational management, innovative, strategic, investment, etc. So financial management should not contradict them.
2. The consistent unity of the profitability of the enterprise and increase of its liquidity. You can be profitable and illiquid at the same time enterprise. In this case, you should navigate to the high yield and the required liquidity accordingly.
3. Focus on the strategic goal of enterprise development.
4. Selection in financial management financial and investment decisions. Solutions for innovation the answer to the question, where and how much to invest. Financial decisions occur in a period when you need to seek the financial resources to answer the question: Where to take money.
5. A variety of approaches to the generation of individual management decisions. Can't stop at one solution. You need to look for alternatives constantly.

6. Separate control of cash flow and profit. The profit may not be smooth cash flow. Profit noted at the time of shipment of products, as cash flow is the movement of funds in real-time.
7. Perhaps at the moment from an economic point of view, the projects of managerial decisions in financial management are highly effective and profitable in either case they must be cancelled if they enter into a confrontation with the company's mission.
8. A comprehensive approach is necessary to the formation of managerial decisions. All management decisions in the area of formation, distribution, use of financial resources and the formation of monetary turnover of the enterprise are closely interlinked and have a direct or indirect impact on the results of its financial activities, its liquidity, profitability.
9. Creating a high degree of dynamic control. Management decisions should be taken rapidly, at lightning speed, as situations change (external and internal conditions).
10. The financial structure of the enterprise. The structure of the company is its main activity. In this context, the finances of the enterprise and its production and economic activity are closely linked (Davydenko, 2011; Oleinikova et al., 2016).

Database structural formation of financial management is organized at the enterprise management structure of its financial activities, the components of which are service departments and other organizational units of the administrative apparatus. The financial management system is a major part of the overall management system organization structure for the management of its financial activities may be formed with an overall organizational management structure of the enterprise. This integration makes it possible to reduce the overall level of the cost of these structures, allow you to coordinate system of financial management with other management systems of enterprises to improve the contents and efficiency of monitoring implementation of the adopted decisions (Brigham and Gapenski, 2013).

When creating the organizational structure of financial management in the enterprise based on the volume of financial activities of the organization, its major forms, functions of financial management, regional economy and other factors. In addition, when creating and structuring this form must be provided effective communication between all organizational units of the service of financial management, on the one hand, and between the divisions of financial management and other functional systems of management of the organization, on the other hand (Negashev, 2010).

The system of connections, producing in the management structure, divided into horizontal and vertical connections. Horizontal linkages are characterized as single-level and the vertical as a multi-level, which provide a hierarchy of control (Fatkhutdinov, 2013).

The process of forming the enterprise organizational structure is rather complicated. There is no such structure that would be acceptable for all situations. That is why any organization in practice, depending on the conditions can apply in practice different variants of the classic approaches to create the optimal image of the organizational structure, the most attractive for this organization.

3. FEATURES OF EFFECTIVE FINANCIAL MANAGEMENT OF COMMERCIAL ORGANIZATIONS IN A MARKET ECONOMY

In accordance with the civil legislation of the Russian Federation the main purpose of creation and activity of commercial organizations as legal entities is profit, this determines the content of its financial relations with other entities (Vasilyeva, 2011; Belousova et al., 2016). The financial structure of commercial organizations is a system of relations that are associated with the organization and use of financial resources of business organizations to ensure their activities and addressing social issues. So there are the following principles of Finance in business:

- Obtaining and maximizing the profits of the enterprise;
- Optimization of sources of formation of financial resources;
- Ensuring of financial stability of commercial organizations, including the use of various mechanisms of protection from business risks;
- Creation of investment attractiveness;
- Responsibility for the conduct and results of financial and economic activities.

Financial management of a commercial organization is the process of formation of the financial mechanism of the enterprise financial relations with other entities, which includes several elements: Financial planning, operational management, financial control.

Organizations in Russia operate in different spheres: Material production, trading and marketing activities, provision of services, information and financial. Should be noted that in the current market conditions to reduce business risks of the organization diversify industry its activities in the field of integration processes observed cross-industry mergers, but the influence of industry factors on financial structure of commercial organizations in our country remains. This fact remains, as under Russian law a number of commercial activities allowed to combine with other activities: For example, insurance companies cannot provide banking services, to carry out production and trading operations; in some cases, specialization in one activity can have the largest effect (Glazov, 2013; Silnov and Tarakanov, 2015).

There are factors that affect the characteristics of the Finance. These factors include: Seasonality of production, long production cycle, a feature of the turnover of production assets, the risk of entrepreneurial activity and others. For example, for agriculture the production process is characterized by the influence of natural-climatic factors that characterizes its seasonal nature and high demand for insurance protection. Under these conditions, a substantial part of borrowing funds for the organization of financial resources, creation of reserve funds, and insurance. It is worth noting that for construction, for some industries that have a long production cycle, such as shipbuilding, characterized by the presence of large amounts of unfinished production, which gives the necessity of formation of financial resources at the expense of borrowed funds.

The acquisition of the rental income can determine the climatic factors in a relatively favorable business environment, such as extractive industries. In Russia, as in other developed countries, the reduction of income in the balance within the same industry is based on rent payments to the budget (Zaitsev, 1998).

Existing industry lower level of profitability, such as: Agriculture, housing and utilities have limited ability to generate financial resources by issuing securities (bonds, shares).

For industries with a high degree of professional risk personnel (coal, chemical, gas industry, etc.) are laid to higher tariffs on insurance of employees against accidents at work and occupational diseases.

Also another aspect is the high risk activities of financial intermediaries (insurance companies, credit institutions), this determines high requirements to the size of own capital, creating special financial reserves and the use of other mechanisms of financial sustainability (for example, for insurance companies - reinsurance) (Sheremet and Seyfulina, 2014).

Financial management aims to establish a high level of efficiency of financial management of the enterprise. Before any organization Finance Department sets itself a number of objectives:

1. The provision of liquidity. As for the profitability and solvency of the enterprise should be a balance between the inflow and outflow of funds. This contributes to the established payment discipline. In this issue deals with the monitoring of accounts receivable, the assessment of solvency of the enterprises - debtors' timely repayment of obligations to monitor the investment in new industries, monitoring the withdrawal from circulation (Kulikov, 2010; Gureva et al., 2016).
2. The rising cost of equity. For the JSC the market price is set by the amount of the product of the number of shares on the market value of the shares. For joint stock companies in addition to profit an important increase the total price of the enterprise. This value determines the amount of capital the shareholders, i.e. the amount that they can receive upon liquidation, merger, etc. of the company.
3. Maximization of profit. Is the main goal. The profit reflects the efficiency of economic activities of the enterprise and is the source of development and the achievement of the strategy. There is a rule in the calculation of profit: Matching revenue from sales costs, which were incurred in the production and sales of these products. That rule was needed for correct calculations of profitability of products, efficiency of application of resources of the enterprise (Balabanov, 2011).

In modern conditions of market economy changed the priorities and purposes of economic objects are the financial resources (money). The efficiency of their management is determined by how productively they transformed in fixed and current assets, stimulator employees - salaries, etc. Financial resources are the only resource that transformed quickly and directly into another kind of resource.

The financial activities of any enterprise in the modern market economy contains a number of aspects:

1. Enterprise, regardless of its legal form, maintains its accounting reports in accordance with the state order.
2. Wages, its shape, size, periods of payment, set by the individual companies themselves.
3. The company is entitled to have Bank accounts and carry out cash flow on them.
4. Self-financing and profitability of any enterprise.
5. The government is using the levers of taxes and benefits regulates the production and economic activities of the enterprise (Ragulina and Kamaev, 2013; Sergeevich and Vladimirovich, 2015).
6. For breach of any of the rules: Settlement, credit, tax liabilities, the company is liable in accordance with the law.
7. Enterprises sell their products at independently established prices or established government rates in the regions.
8. The company has the right to exercise foreign economic activity, if it is not against the law.
9. The creation of a Fund risk.
10. Autonomy in decision-making.

The financial activity of the enterprise in conditions of market economy is characterized by the features described below:

1. The main indicator of economic activity of the enterprise are its financial condition, as well as reflection and financial performance.
2. The financial risk of the joint concept of operations with financial activities generate risks.
3. The financial activity of the enterprise is stable.
4. The financial activity of the enterprise is the main form of resource provision of economic strategy of the enterprise and its growth.
5. Financial activities connected with the market of money and capital.
6. Financial activities is indirect in relation to the goals and objectives of the enterprise (Blank, 2010).

Financial management aims to manage the financial resources and financial relations that arise between business entities of the enterprise. This mechanism represents the process of formation of the purposes of the financial management and implementation of the impact using the methods and levers of the financial mechanism. Finance in the first place, are the tool of influence on the process of production and marketing activities of the enterprise. This influence is implemented through the financial mechanism. This mechanism is the system of action of leverage, reflected in the organization, planning and facilitation of financial resources. The main elements of the financial mechanism are: Financial methods, financial leverages, legal and regulatory support; information provision.

Complex financial instruments consist of:

- Planning, forecasting;
- Loans;

- Insurance;
- System calculations;
- Trust and transfer operations;
- Leasing operations, factoring;
- Interaction with shareholders and other state agencies.

To regulate financial condition of the enterprise to help manage your finances, to help used by many business owners. Financial management aims at coordination of financial and economic activities of the organization. Proper and timely financial management will enable the company to perform, the risks, profitability of financial investments, efficiency of functioning of the enterprise, the speed of capital labor and its performance (Kolpina and Marochkina, 1997).

If a company has formulated a development strategy, is not involved in monitoring the situation on the market, it does not occupy a stable economic position. In the business environment equally important as the principles of financial management and organizational management, they need strict supervision. Knowledge a clear sequence of actions to develop the necessary structures for progressive business will provide the opportunity for any entrepreneur, the Manager to use the best efforts with maximum efficiency, working more productively and not wasting energy on secondary objectives.

4. CONCLUSION

From what has been said above it can be concluded that the financial management as a system of relations is an integral part of modern organizations. Without it, the organization simply could not function, as it contains both strategy and tactics of enterprise management. On the financial management system is the basis of most management decisions. As you know, in any enterprise there is a structural unit, as an accountant whose task is maintenance of records of funds turnover in the organization. But due to the fact that the functions of the accountant are limited only by the maintenance of cash flow and preparation of reporting documentation, the question arises about the appropriateness of the financial management of an enterprise to generate additional income (the money should "make" money). This role was assumed by the financial Manager. For the effective performance of their duties a financial manager must have a high professional preparation, which includes a number of knowledge in economics, accounting, law, statistics, and deep, specialized knowledge in financial management. Many companies have not paid such a position as financial management sufficient attention, at the present time this practice becomes a comprehensive phenomenon, and justified necessity in the prevailing conditions of fierce competition on the market today.

Systematic approaches to the solution of management tasks acquire a variety of forms, on this basis, financial management has a multidimensional nature. The complexity of financial management is a combination of standard and extraordinary combinations of financial, flexibility and uniqueness of certain methods of action in some economic situation. The important thing in financial management is a logical statement of purpose which meets the financial interests of the control object. Financial management as a system of relations is very dynamic. Its efficiency depends largely on the responsiveness of the modification of the conditions of the financial market, the financial situation of the country, the financial state of the control object. Therefore, financial management as the control system should be based on knowledge of standard management techniques, the ability to actively and correctly assess the specific financial market situation, the ability to quickly find the right if not the only, way out of the situation. In the financial management of ready-made solutions is not and cannot be. He teaches organization as knowing the methods, techniques, ways of solving economic problems, to achieve significant success for a particular business entity.

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