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FINANCIAL RISKS AND METODS OF THEIR REDACTION IN MOFERN CONDITIONS

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Annotation. The article considers the classification of financial risks in order to manage them and the methods used in practice to reduce financial risks

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In the context of the development of international relations, the increase in investment activity of companies, the development of the insurance market, the strengthening of innovation, the possibility of uncertainty in financial relations increases, which is associated with the presence of various risks. This determines the need to classify financial risks in order to select the most appropriate options for reducing them and strengthening the financial condition of organizations.

The financial risk of an enterprise is understood as the probability of adverse financial consequences or capital in a situation of uncertainty in the conditions of its financial activities.

Financial risks of enterprises are characterized by a wide variety, therefore, the characteristic of a particular type of risk gives an idea of the factor that generates it, which allows you to “link” the risk assessment and the size of possible financial losses for this type of risk to the dynamics of the corresponding factor. In order to implement effective management, financial risks can be classified according to the following main features:

In accordance with the characterized object:

- the risk of a separate financial transaction;
- the risk of various types of financial activities;
- the risk of the financial activity of the enterprise as a whole.

In accordance with the totality of the studied tools:

- individual financial risk;
- financial risk of the portfolio.

Depending on the complexity of the study:

- simple financial risk;
- complex financial risk.

By the source of occurrence:

- external or systematic risk;
- internal or non-systemic risk.

For financial implications:

- a risk that entails only economic losses;
- risk of lost profits;
- risk entailing both economic losses and additional income.

By the nature of manifestation in time:

- constant financial risk;
- temporary financial risk.

Depending on the level of financial losses:

- acceptable financial risk;
- critical financial risk;
- catastrophic financial risk.

If possible, prudence:
- predictable financial risk;
- unpredictable financial risk.

Possibility of insurance:
- insured financial risk;
- uninsured financial risk.

In the management process, an important parameter of risk differentiation is their type. In this aspect, the following risks are identified:

- the risk of reducing the financial stability (or the risk of disruption of financial development) of the enterprise. This risk is generated by the imperfection of the capital structure (excessive share of borrowed funds used), which creates an imbalance in the positive and negative cash flows of the enterprise in terms of volume. The nature of this risk and the forms of its manifestation are considered in the process of presenting the mechanism of financial leverage. As part of the financial risks according to the degree of danger (generating the threat of bankruptcy of the enterprise), this risk plays a leading role.

— the risk of insolvency (or the risk of unbalanced liquidity) of the enterprise. This risk is generated by a decrease in the level of liquidity of current assets, which creates an imbalance in the positive and negative cash flows of the enterprise over time. In terms of its financial consequences, this type of risk is also one of the most dangerous.

When identifying the most dangerous risks the company takes all measures to reduce them. There are several main ways to reduce risk:

1. Risk avoidance is one of the most popular ways to protect capital. The advantage is the ability to avoid losses that are associated with the risks of financial activity. Disadvantages are a decrease in potential income and a high probability of other risks.

The method is effective in several cases:
- the level of risk is higher than the potential return on a particular transaction;
- deviation from one will not lead to the appearance of another, stronger risk;
- monetary expenses cannot be covered at the expense of the company's internal funds due to their large size [1].

2. Risk taking. In this case, the company (investor) is preparing for material compensation for possible losses. If there is a shortage of resources, taking on financial risks can lead to a reduction in business (a decrease in investment).

3. Transfer of risk. In this case, the entire volume of financial risks (or part of them) is shifted to stronger business partners who are able to effectively overcome difficulties.

The transfer of financial risks is carried out in one of the following ways:
- conclusion of a factoring agreement. A feature of such a transaction is the transfer of credit risk (or part of it) to a factoring company or bank;
- conclusion of a guarantee agreement. In this case, the guarantor assumes the creditor's obligations in full or only part of them. In case of late repayment of the loan, both the borrower and the guarantor bear equal responsibility to the lender;
- transfer of risks to the "shoulders" of supplier companies. Financial risks associated with the loss or damage of material assets during transportation, loading and unloading are transferred here;
- implementation of exchange operations - hedging.

4. Risk insurance - registration of a transaction involving payment of compensation by the insurance company in case of full or partial loss of profit. At the same time, you can insure against bankruptcy, unforeseen expenses, reduction or shutdown of production processes, as well as covering legal costs.

When choosing an insurance company, it is necessary to take into account: the specifics of the specialization of the insurer; the availability of a license to operate; the size of the authorized capital; tariffs for various types of insurance; the rating of the insurer.

5. Risk pooling is one of the most effective ways to reduce risk. The company solves problems by attracting business partners and individuals interested in getting out of the current situation. At the same time, the total financial risk is distributed among several business entities.

6. Risk diversification - the distribution of capital between several areas that are not related to each other. Competent diversification allows you to reduce risks when conducting investment activities. The main types of diversification include the diversification of the financial market, currency basket, deposit portfolio, buyers, securities portfolio, financial activities of the company, etc. [1], [2].

Thus the species diversity of financial risks in their classification system is represented in the widest range. Exists external and internal risks, risks that entails only economic losses and risks of lost profits, acceptable, critical and catastrophic financial risks, the risks of reducing the financial stability, insolvency of the enterprise and etc.

At the same time, it should be noted that the emergence of new financial technologies, the use of new financial instruments and other innovative factors, respectively, will lead to the emergence of new types of financial risks.

Various methods are used to reduce the degree of risk. The most common area: risk avoidance, transfer of risk, diversification, limiting, insurance, hedging, etc.

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