

**METHODS OF FINANCIAL RISKS ASSESSMENT**

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Business activity is inseparably linked with uncertainty. Always there is a probability of that the expected, planned result won't be reached as it is impossible to predict authentically market development tendencies, behavior of its certain participants in the future. From here, in a general sense the risk is a deviation of the reached result (provision) from expected (planned). There are a lot of types of risks of business activity. Risks are classified by origin spheres, by activities, whenever possible preventions, by types of consequences to which leads approach of this or that type of risk, etc. The special place is taken, thus, by financial risk. Specialists in the field of a riskology and financial management note that «the financial risk arises in the course of the relations with financial institutions (banks, finance, investment, insurance companies, the exchanges, etc.) in connection with impossibility of accomplishment by firm of the financial liabilities». Inability to fulfill financial liabilities can result in bankruptcy of the organization. From here, there is a need for a risks assessment, characteristic for the current activities of firm, and also in a risks assessment which can arise in case of implementation of this or that option of organization development.

All evaluation methods of risks can be divided into the following groups. The first – economical and static evaluation methods of risks. Consist in calculation of statistics on the basis of data on the actual results or based on planned indicators for a number of the periods of activities of the entity. The probability of occurrence of risk (in percentage terms), determined as result of a deviation of researched data from their average size is result of carrying out an assessment by an economical and statistical method. It is possible to call a benefit of this method a limited circle of the indicators which are taking part in calculation of dispersion, an average quadratic deviation, variation or beta coefficient. Shortcomings – the method requires availability of probabilities of receipt of this or that result that already pledges a mistake in calculations. Besides, availability of a limited circle of indicators doesn't give an idea of interrelation of an analyzed factor with elements of a property complex of the entity, the sources of its financing depending on infrastructure of the market, the economic relations of the entity with his partners.

The second group of methods is aimed at a risk probability assessment in case of implementation by the organization of financial transactions that is the transactions connected with movement of securities. However, It should be noted that the Russian stock market can't be considered developed and made as on it shares of the entities not all industries of a national economy but only their limited number (an oil and gas industry, IT technologies, media groups and so forth) are provided. Besides, in the Russian legislation there are forms of business of the entities which can't place the shares in the security market (private companies, Limited Liability Company, the municipal entities, the individual entrepreneur). From here, the assessment of financial risk on the basis of this group of methods can be used not by all the entities, but only placing the securities in the stock market.

As approach of negative consequences of risk can lead to insolvency (bankruptcy) of the entity, in separate group allocate evaluation methods of probability of bankruptcy of the entity, such as Altman's Z-account, Savitskaya G. V. integrated mark assessment and the model developed and approved by the legislation of the Russian Federation. We will provide the short characteristic of each of these methods.

Obligatory evaluation method is the assessment of probability of bankruptcy on model, stipulated by the legislation Russia. According to the law "About Insolvency (Bankruptcy)" the entity is considered not solvent if one of conditions is carried out:

- the coefficient of current liquidity by the end of the reporting period has value below of the standard;
- the coefficient of security with own current assets by the end of the reporting period has value below of the standard.

If at least one of considered indicators has value below standard, the coefficient of recovery of solvency ( $K_{RS}$ ) for the period, equal is determined to six months. If more than 1, the organization has  $K_{RS}$  opportunity to recover the solvency. To the contrary, if  $K_{RS}$  less than 1, it means that the organization isn't capable to recover the solvency soon. If the actual level of liquidity rates and security with own working capital are equal or above standard values, calculate coefficient of loss of solvency ( $K_{LS}$ ) for the period, equal to three months. If  $K_{LS}$  more than 1, the organization has opportunity to keep the solvency within three months and vice versa.

Benefit of this model is simplicity of its use as only two indicators participate in calculation (coefficient of current liquidity, coefficient of security with own current assets). On the other hand, availability of such limited circle of indicators can be accepted for a lack of this model. It should be noted also that some specialists (for example, Savitskaya V. G., Sheremet A.D.) note interrelation of coefficient of current liquidity and coefficient of security of current assets. Besides, disputes on a technique of calculation of the specified coefficients are conducted. The legislative model doesn't allow to consider efficiency of activities of the entity and rates of a surplus of an equity.

Assessment of probability of bankruptcy on the Z-accounts model of Altman. This model was developed in 1968. It researched 22 financial ratios and chose from them 5 for inclusion in final model of determination of creditworthiness of subjects of managing. Benefit of Z-accounts of Altman is that the assessment is conducted on one indicator (Z-accounts value). The shortcoming consists of that fact that the main development of model there were statistical data on the entities of the American economy having the features whereas the Russian economy has the distinctive features. However, this model has broad application for us as it is registered in many software products on entity financial analysis.

By Savitska G. V. the integrated mark assessment is developed. The essence of an integrated mark assessment consists in classification of the organizations by a risk degree, proceeding from the actual level of indicators of financial stability (coefficient of current liquidity, profitability of equity, autonomy coefficient) and a rating of each indicator expressed in points. According to this model all organizations are recommended to be broken into five classes:

- the first class – the organizations with a good inventory of the financial stability, allowing to be sure of return of borrowed funds;
- second class – the organizations showing some risk degree on debts, but yet not considered as risk;
- the third class – the problem organizations (when loss of means isn't present, but complete receipt of percent is represented doubtful);
- the fourth class – the organizations with high risk of bankruptcy even after taking measures to financial improvement; thus creditors can lose the means and percent;
- the fifth class – the organizations of the highest risk, almost insolvent.

Pluses of an integrated mark assessment – the technique allows to consider efficiency of means, degree of financial stability of the entity and solvency level. Shortcoming – big labor input in comparison with other techniques.

Practice show high level of probability of bankruptcy is characteristic and for the entities having considerable degree of financial stability (the share of an equity exceeds 50%), and for the entities having outstanding performance of made investments (profitability over 30%). There is a question – why after all occurrence of a financial risk depends?

It is possible to declare bankrupt the entity only judicially. According to regulations of the Russian legislation the creditor has the right to appeal to arbitration court if the entity didn't fulfill the liabilities within three months from the moment of their origin. Therefore, as base for determination of financial risks the current level of solvency of the entity acts, first of all. Calculation of criteria of an assessment of solvency is based on a ratio of various groups of current assets to the current liabilities (watch table 1). It should be noted that feature of activities of debtor enterprise, and also feature of reflection in accounting records of a property complex significantly influence an assessment of a financial condition as a whole and an assessment of level of solvency, in particular. We will show it on the example of closed joint stock company «KLM Co». This entity is one of leading enterprises in forest grow Krasnoyarsk region. Performs a complete cycle of conversion of wood: from procurement of the round wood before production of glued, planed products and conversion of sawdust in fuel granules.

Table 1 – Indicators of an assessment of solvency

Indicator name	Standard value
Coefficient of the current liquidity (current assets / short-term obligations)	$\geq 2,0$
Coefficient of fast liquidity (current assets behind a deduction stocks / short-term obligations)	$\geq 1,0$
Absolute liquidity index (money and short behind a deduction term financial investments / short-term obligations)	$\geq 0,1$

Let's note features of the maintenance of elements of balance of the analyzed enterprise:

- existence as a part of stocks of considerable size of the finished goods which is in ports of shipment (these volumes of production are made under the order of the specific buyer that equates it to realized production as to realize it, it is impossible for other consumer);
- receivables for 37% consist of the current debts of the buyers determined by contractual terms of sale of production (payment by installments, payment after obtaining documents on shipment), and also conditions of the continuous period of delivery of production to the consumer. This type of debt in fact isn't debts;
- as a part of accounts payable there is a considerable specific weight of the debt which is formally relating to this category. For example, at the supplier got the round wood for the sum of 8 million rubles. Under the terms of the contract payment is carried out by parts – 50% within 7 days after receiving materials, other 50% – in a month. The size of accounts payable is equal in balance to 8 million. From the point of view of real cash flow – 4 million.

Let's calculate solvency indicators for CJSC «KLM Co» using standard approach and taking into account features of forming of balance sheet items (table 2).

Indicator name	Standard value	Assessment taking into account features of activity of the enterprise
Coefficient of the current liquidity	2,2	2,2
Coefficient of fast liquidity	0,87	1,43
Absolute liquidity index	0,02	0,14

The example showed that the problem of financial risks demands additional consideration.