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ASSESSMENT OF LIQUIDITY AND SOLVENCY OF THE ENTERPRISE ON THE EXAMPLE OF CONFECTIONERY FACTORY «LASOSHCHI»

Summary

Liquidity and solvency as a category of corporate finance have been researched. The differences in interpreting the concepts of liquidity and solvency, as well as the inconsistencies between them and other indicators of the financial state of enterprises have been revealed.

The aim of the article is to determine the degree of liquidity and solvency of the object under study by using various research methods (the ratio analysis, the analysis of the balance sheet and liquidity balancing matrix) and to develop the measures to improve liquidity and solvency of the confectionery industry.

Solvency and liquidity indicators for Lasoshchi Confectionery Factory for 2016-2018 have been calculated. It has been determined that the solvency of business entities is expressed through the liquidity of their balance sheet. The classification of balance sheet assets of the enterprise depending on the liquidity and liabilities of the balance sheet according to their repayment period has been studied. It has been defined that during the period under study the liquidity of the balance sheet was not absolute, there was a deficit of liquid working assets, the lack of volumes of stocks and finished products, and significant excess of receivables over accounts payable, and, consequently, the company could not pay its current liabilities.

It has been determined that the best way to study the possible risk of unbalanced liquidity is to make a matrix of its balancing. The results of the analysis confirm the unbalanced liquidity, namely, the lack of own liquid resources and the insolvency of the enterprise.

The main factors that have an impact on the liquidity and solvency of the enterprise have been identified, and the measures to improve the solvency and liquidity management have been suggested.

Keywords: liquidity, solvency, assets, liability, balance, balancing matrix, confectionery industry.

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