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OPTIMIZATION OF THE CAPITAL STRUCTURE OF CORPORATIONS UNDER INTEGRATION PROCESSES

Urgency of research. At the modern stage of socio-economic development economic theory seems to be unable to provide definitive answers to the arising problems of determining the optimal capital structure of the corporations. The existing methodological approaches towards the development of risk management tools for multinationals and optimization methods based on indicators of financial leverage require further improvement.

The purpose of research is to study methods of regulation and optimization of the capital structure of the enterprises, to identify and to structure positive and negative factors.

Study results. The success of any business entity largely depends on the right choice of the sources of formation, ways of distribution and usage of the owner's equity held by the company, regardless of ownership and kind of activity. Moreover, the management of owner's equity is not only connected with providing the effective forming and the use of the already contributed and accumulated equity, but deals with the process of ensuring the future development of the company with the relevant resources.

The owner of any enterprise faces a difficult choice of financing his/her business, when making decision about the scheme of the owner's equity structure formation as well as choosing carefully sources for its financing.

The capital structure chosen affects essentially the cost of capital and the relevant level of financial risk. An efficient change in capital structure is considered to be a major factor which contributes into increasing the amount of Return on equity, which is an excess of Return on equity indicator over Return on total assets. Therefore, the problem of capital structure optimization is referred to as one of the major tasks to be solved with the financial risk and corporate capital management, while improving of the methods for forming an optimal capital structure is thought to be just a timely matter.

Optimization of the capital structure has the main criterion for minimizing the weighted average cost of capital of the company with increasing of the owners revenues. For Joint Stock Company optimization of the capital structure has criterion for minimizing the weighted average cost of capital while increasing the share price. The main tool in this case is determining the appropriateness of attracting new loans by the company using the mechanism of financial leverage.

Positive aspects of the impact of owner's equity have been defined as follows:

the larger owner's equity of the enterprise the more is the market value of the company;

the larger owner's equity of the enterprise the higher its financial stability;

in the financial market, characterized by the unstable market situation and crisis phenomena, the greater owner's equity, the higher competitiveness of enterprise and more reliable its financial position;

a large amount of owner's equity increases solvency as well as credit status of the company on the credit market;

a large amount of equity capital is the basis for raising capital in the stock market by issuing new shares or bonds;

the value of owner’s equity is in the sphere of the enterprise’s capital management responsibility;

attracting owner’s equity is more simple in comparison with the borrowing of capital due to the fact that the decision related to the increase of capital are made by the owners and managers without a need to obtain the consent of other businesses;

owner’s equity provides the higher opportunity to generate profits in all areas.

Among the disadvantages of the owner's equity the following points can be determined:

the limited volume of raising funds for the expansion of the operating and investment activities on various stages of its life cycle;

high cost;

it is impossible to ensure the excess of the financial profitability indicator over economic profitability indicator.

The high cost of the capital is considered to be quite essential in this relation. Loan capital is estimated by the management of the company at the size of interest, and the formation of owner’s equity is considerably influenced by such factor as price dividends.

An effective management of capital – is a major task for the successful development of the company. At the same time justification of its optimal value according to the amount, structure and content of productive activities, the choosing of rational method of its increasing, the cost and risks provide the sustainable development of the company. The effectiveness of capital management is largely dependent on the choice of methods and techniques to optimize the capital structure. These methods can be differentiated depending on the approach to the optimization of the following groups: normative coefficient, criterion, multi criteria. In terms of practical implementation and obtaining reliable data to adjust the capital structure is the most appropriate normative coefficient multi criteria methods that are based on the calculation of the complex integrated parameter.

Conclusions. Research of the methods of regulation and optimization of the capital structure has allowed the following conclusions.

1. Optimization of the capital structure – is an important stage of strategic analysis of capital, which consists in determining the ratio between the value of the own capital of the corporation and the value of funds raised from returning in the future that are involved based on their return, by which achieve maximum effectiveness of the company.

2. In the process of optimizing the capital structure it is necessary to consider the final result of the company that is financial result from ordinary activities before tax.

3. The optimal ratio between owner’s equity and loan capital is determined individually for each company taking into consideration both internal and external factors and the company’s features.

4. The process of calculation of the optimal ratio of owner’s equity and loan capital requires to consider not only the worked out methods of optimization of capital structure, but also indicators of the reserve of the capital, return on owner’s equity and the solvency of the companies.