

**FUNCTIONAL AND RESOURCE COMPONENT
OF FINANCIAL SECURITY OF SUBJECTS
OF THE AGRO-FOOD MARKET**

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When the economic conditions of Ukraine's development change, the change in the state of financial security of the subjects of the agro-food market is monitored. At the same time, the functional and resource component of financial security controls the movement of each of its resources from the initial stage (accumulation and formation) to the final stage (distribution, use), thus establishing a holistic mechanism of financial support for the sustainable development of agro-food market entities and the necessary reserves for stabilization of their activities [1].

The approach to the definition of the functional and resource component of financial security, as a holistic mechanism of financial support for the break-even development of the subjects of the agro-food market, takes into account not only the availability of opportunities for its involvement, but also the conditions under which the elements of their reproduction are mobilized, which are determined: according to the quantitative approach – as an arithmetic sum of financial resources and sources of their provision; according to a qualitative approach – as a liquid turnover of financial resources [4].

We believe that in order to determine the functional and resource component, it is necessary to consider each of its elements for the purpose of identifying special characteristics inherent only to financial security. This approach will make it possible to reasonably include certain resources, as well as their sources, in its composition. For this purpose, we will use the developed methodological base, which is used in the activity of financial system objects (subjects of the agro-food market) determined in scientific approaches, proposed by Trusova N.V., for the description of individual instruments [5], which lay the foundation for financial support of assets. The price of any asset is determined by a balanced situation of demand and supply for this asset [2]. A characteristic feature of the tools is directing resources to the needs of financial support [5].

The interconnection of tools, some of them have qualitative characteristics of financial potential, take the form of a functional and

resource component of financial security, as an integrated mechanism for ensuring its stable state (Fig. 1).

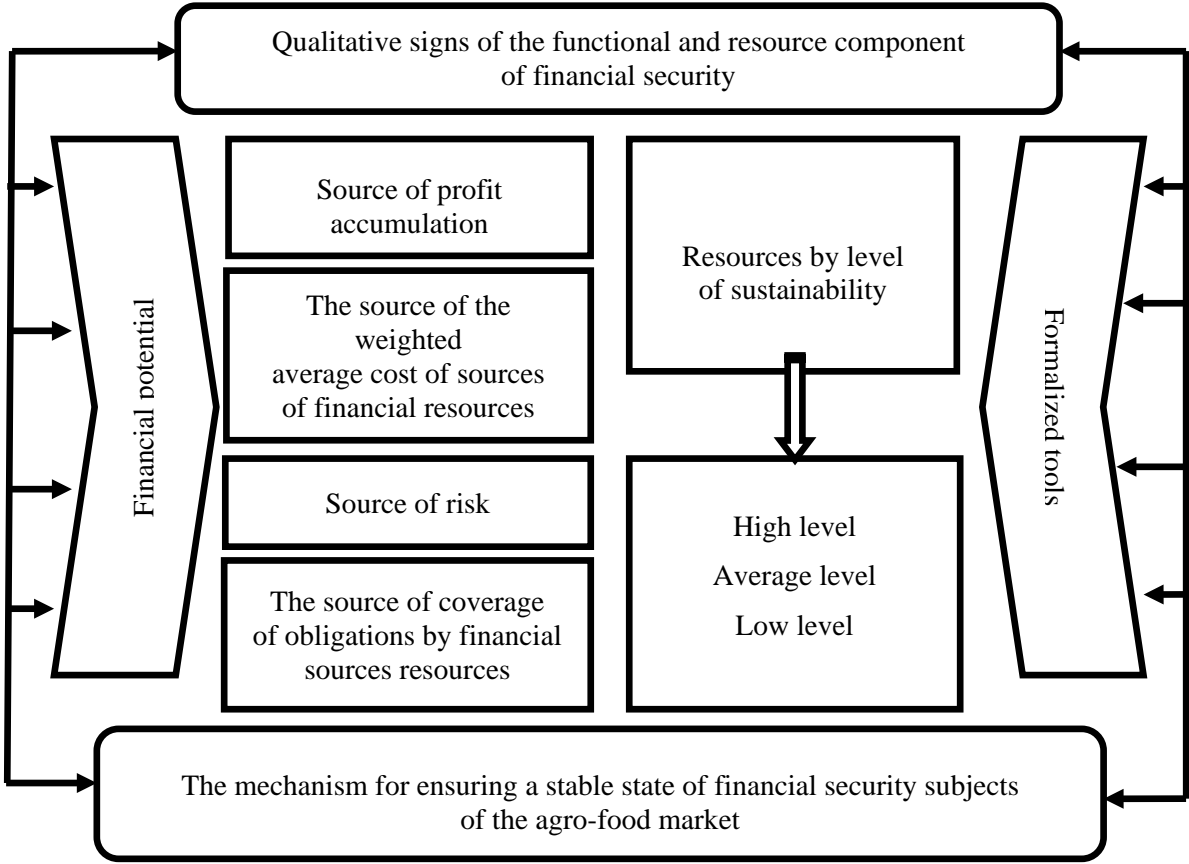


Figure 1. Qualitative signs of the functional and resource component of the financial security of subjects of the agro-food market

Source: built the author

When considering the qualitative characteristics of the functional and resource component of financial security, the concept of "weighted average cost of sources of financial resources" is justified which allows us to determine their price, as well as the costs of covering obligations by sources of financial resources. In the plane of their value measurement, there is a need for their distribution according to the level of sustainability. On the one hand, they should be considered as resources with a high level of sustainability, which appropriately shapes the movement of financial flows with the observance of the necessary cost proportions for all ensuring a stable state of financial security of the subject of the agro-food market, on the other – as financial resources, formation, placement and the use of which is carried out on a fee basis. The last property of the cost aspect of financial resources is closely related to their qualitative characteristic as an average level of stability, which provides the subject of the agro-food market with accumulation of profit [5].

An increase in the accumulated value of profit is accompanied by a higher level of risk. The risk in the subject's financial and investment activities is determined on the one hand by the presence of multiple options for reducing the stability of financial security, on the other hand by the lack of a sufficient cause-and-effect relationship between development and the factors that determine it [1]. In our opinion, not all the results of the implemented measures can be quantitatively expressed by qualitative signs. Therefore, in the process of ensuring a stable state of financial security of the subjects of the agro-food market according to the functional and resource component, tactical and strategic methods of assessing the risk factors of the financial and investment chain are of great importance. The subject of the agro-food market, carrying out risk measures, delegates the functions of the financial system to a formalized form of manifestation of the generation of its financial potential. Thus, risk provides an objective sign of the functional and resource component of financial security, and its carrier is the level of stability of financial resources to changes in the weighted average value of the sources of their provision, provided that the amount of one's own financial potential is formed, which allows the coverage of obligations from these sources.

A specific feature of the functional and resource component is that in the process of assessing the level of stability of the financial security of the subject of the agro-food market, the possibility of own financial resources potentially stabilizes its transformation in time, because during the period of changes in the weighted average cost of their sources of support, the profit is not necessarily loses accumulated sympathy. During the extended financial cycle, ensuring a stable state of financial security of the subject with the lowest costs for the formation of one's own financial potential allows using one's own capital for reinvesting assets in the time period. The economic interpretation of the change in the level of the steady state of financial security is most fully reflected in the concept of the return on assets, from the point of view of planned investment objects.

The profitability of the planned investment objects determines the potential possibility of quick reinvestment of financial resources in the event of a change in the time lag of the weighted average cost of the sources of their provision. In addition, this type of return on assets is associated with the choice of alternative investment objects that provide different levels of efficiency of financial operations [3]. Regarding other types of profitability, they are considered as non-alternative variants of its objects [2]. Accordingly, the use of informal methods of assessing the stable state of financial security, from the point of view of the lack of alternatives for determining the profitability of assets of already created resources, allows the use of any comparisons. In addition, the lack of development of informal methods of assessing the stable state of financial security determines the use of alternative approaches to the knowledge of financial stability. For example, the use of the

phrase "real market value" is quite common when defining the essence of the concept of "sustainability of financial resources". The latter is interpreted as their "possibility in a short period of time to be involved in the financial and investment chain with the least loss of their real market value" [1]. We believe that regardless of the sense in which financial stability is understood, it is assumed that the amount of financial resources at which the stable state of financial security of the subject changes is justified.

Thus, the establishment of qualitative features of the functional and resource component of financial security allows identifying a set of informal tools of the financial system of subjects of the agro-food market, to determine individual ways of ensuring its stable state in the presence of cause-and-effect relationships. This creates a new theoretical and methodological basis for evaluating optimal scenarios for ensuring a stable state of financial security, with the aim of influencing the weighted average cost of the source of financial resources and growth rates of break-even development of agro-food market entities.

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