Сучасні проблеми економіки та підприємництво. Випуск 8, 2011.

**Шевченко Т.Е.** к.т.н., доц. НТУУ «КПИ» **Хороновский М.А.** бакалавр ФММ НТУУ «КПИ»

## НЕОБХОДИМОСТЬ ПОВЫШЕНИЯ ЭФФЕКТИВНОСТИ ИСПОЛЬЗОВАНИЯ РЕСУРСНОГО ПОТЕНЦИАЛА ПРЕДПРИЯТИЙ В УСЛОВИЯХ ЭКОНОМИЧЕСКОГО КРИЗИСА

В статье рассмотрена необходимость повышения эффективности использования ресурсного потенциала предприятий в условиях экономического кризиса, и приведены пути его повышения.

**Ключевые слова:** основные и оборотные фонды предприятия, средства производства, оборотные средства, трудовые ресурсы, кадры, материальные ресурсы, эффективность потенциал.

Shevchenko T.E. Horonovsky M.A.

## NEED TO IMPROVE THE EFFICIENCY OF RESOURCE POTENTIAL OF THE ENTERPRISES IN THE ECONOMIC CRISIS

The article describes the need for more efficient use of the resource potential of the enterprises in the economic crisis, and the ways to elevate it.

**Keywords:** basic and circulating funds of enterprises, the means of production, working capital, manpower, personnel, material resources, the effectiveness of potential.

Anna Tarasenko Jeremy Bonito University of Maine

## THE ROLE OF BUSINESS IN DEVELOPMENT OF MARKET ECONOMY

Market economy is an economic system guided and regulated by the mechanism of natural market transactions in an adequate institutional environment. Formation of market relations of the country is impossible without the implementation of relevant reforms and inclusion Ukraine in the world integration processes.

**Keywords:** business, domestic market, enterprise, entrepreneurship, entrepreneurial skills, economic responsibility, needs of society, market economy, market relations, management, profit, risk.

**Introduction:** Subject enterprise interesting and very important for the present time. Powerful engine of economic and social development of market economy is entrepreneurship. As international experience shows, without freedom of the market economy, without the amateur producer, without any entrepreneurial activity prosperity is impossible. To overcome the crisis and accelerating economic growth, to overcome egalitarianism and its negative socio-economic impact is important not to stifle entrepreneurship, and create all favorable conditions for its functioning and development.

**Problem Statement:** Enlargement of knowledge about market economy and the impact of entrepreneurship on it.

**Body:** Entrepreneurship has a long history, but only during the formation of capitalism it developed a modern understanding of this type of activity. Functioning of national economy and the world economy based on economic resources (factors of production) - natural, labor, capital (in the form of real capital, that means in the form of production, and financial, that means cash), business, as well as scientific (scientific, technical, information knowledge). The economic resources of the potential of the national economy or region of the world or the world economy are taken together.

A market economy can be contrasted by a command economy, where the prices for things are set by a force outside the market, such as a government. Strict Communist economies, for example, do not allow the market to dictate prices, making them command economies. In recent years, however, many Communist states have begun incorporating aspects of a market economy into their systems. China is a good example of this model, often called market socialism or the socialist market economy. Under market socialism, many key industries are actually owned and operated by the government rather than private industry, but the government allows the prices of goods and services to fluctuate based on the market, rather than using their monopoly to set the prices as they choose [5].

Most economies in the West are defined as mixed economies, incorporating some elements of a socialist command economy and some elements of a market economy. These economies can be seen as falling along a spectrum, with varying degrees of market freedom. The United States, for example, can be seen as falling fairly far on the side of a true market economy, with steady deregulation of industries and privatization of even once government-owned industries. In contrast, many nations in Western Europe can be seen as falling more on the socialized end of the spectrum, with fairly substantial regulation of industries, and government ownership of some key businesses, such as prisons, water systems, telecommunications systems, health-care systems, and others.

In recent years, in countries with developed market economies, business is experiencing a kind of renaissance. More and more people are involved in the business, starting with your own small business. If in 1950th years in the USA each year recorded an average of approximately 130 thousand firms in 1960th - 220 thousand firms, in 1970th - 350 thousand firms, in 1980th – more than 600 thousand firms. The reason for this phenomenon you can see in a result of the actions of at least three factors. [8].

Firstly, this is the result of technical progress, scientific and technological revolution, in which was set up extremely powerful technique. The composition of the entrepreneurial resource includes its carriers - the entrepreneurs, its infrastructure - market institutions, its ethics and culture. International experience also showed that entrepreneurial skills most effectively implemented in countries where is a strong degree of liberalization of economic activity combined with high efficiency of public institutions, and active government support for small and medium business and politics to promote competition in the domestic market.

The second factor contributing to the flourishing of entrepreneurship is variety individual and social needs of people. Needs of modern society is so diverse that the only business with its flexibility and rapid response capacity of their more or less successfully meet. Society has needs such as time and serves as an impetus to expand the scope of entrepreneurial activity. Responding to these requests, the entrepreneurs grow efficiency; give the world lots of new features. The third factor is flourishing business in recent years is political factor. Freedom in making decisions and implementing them is a necessary condition for doing business. It represents, of course, the full economic responsibility for the results of operations. Entrepreneurship as an economic category is characterized by the establishment of the subjects and objects. Entrepreneurship in a market economy can be carried out in three forms: individual, collective and state. If the first means to do it by yourself, it means in their own interest. Then the second form of entrepreneurship - collective - suggests boundaries and procedures outlined more strictly. In this case, the business activities performed at the base and within the tasks and powers, which are reflected in the founding documents and statutes of the respective forms of enterprises. Subjects of individual activities are private individuals (the organizers of the sole, family and more large-scale production), the subjects of collective forms of entrepreneurship - it's partnership (full and limited), society (with limited liability, joint-stock), production cooperatives. State and municipal unitary enterprises are subject to state business [1].

Entrepreneurial activity is carried out under conditions of uncertainty, instability and risk. Uncertainty does not occur as a result of ignorance of them or poor orientation in the environment, but because they constantly change its operating environment, changing the behavior of market participants and this makes the conduct rapid reorientation of production and marketing. The instability stems from the fact that none of the trend does not continue for too long. In the market nothing is permanent - all cycles: for take-off should be slowing down or drop in business activity, then re-starts recovery. [3].

Uncertainty and instability are constant changes entail risks as an integral feature of entrepreneurship. Decision taken by an entrepreneur without the risk elements, in fact is not a solution. But at the same time the presence of risk factors are the powerful incentive to increase the responsibility for business decisions, save money and resources. The greater the risk, the greater should be the reward. Reward for risk - this is the main part of the profits earned by entrepreneurs. The entrepreneur takes the initiative to organize the interaction of factors of production to maximize profits.

Risk is assessed probability to lose one of the levels in deals. Conceiving the case, developing projects and plans, the employer is obliged to calculate, estimate and anticipate the likelihood of any loss. If the probability of loss is much greater than expected profit, it is palpable, the entrepreneur must be careful to reject such things. Otherwise, he risks losing too much. At the same time it is low, acceptable risk which is possible and inevitable. Reinsurance in business leads to missed opportunities for profit [4]. Profit is a direct motive; it's a cause and the ultimate goal of business activity. In the western economic science gains are treated differently: how income from production factors (capital, land and labor), then as a reward for entrepreneurial activity and the introduction of technical improvements, then as a payment for the risk associated with the organization and conduct of any case. After all conditions in the ordinary earnings and economic relations serves we can say that profit is an excess of revenues over expenditures. There are laws of formation of profit. In order to profit the entrepreneur in its activities designed to provide the necessary combination of personal benefit to the public good [7].

The role of the national and state governments in the market economy is debatable, although it has been found that government interventions are sometimes necessary. In these cases, the government mainly deals with the formation and implementation of rules and regulations and ensures that monopolistic behavior does not obstruct competition in the marketplace. Regardless of the government's role, decisions made in a free market economy are primarily made by the 'invisible hand' of market forces - and not mandates issued by the government.

Conclusion: The transition to a market economy poses to our society, many challenges, among which occupies an important place entrepreneurship. Lack of own practical experience of entrepreneurship makes borrow western. This is natural. But attempts to blindly copy the West in all that is necessary for market development, will not lead to positive results. We have to adaptive to market structures and institutions to the peculiar conditions in Ukraine. Most likely, you should wait until a long period, during which a new generation of Ukraine entrepreneurs by trial and error will explore practical business philosophy. Pass a considerable time before we can talk about the prevailing culture of entrepreneurship, the business ethics that denies any way dishonest gain.

## The list of literature

- 1. Tony Cleaver (2006) Understanding the World Economy;
- 2. Colin Clubb, Niamh Brennan (Eds.) (2006) Accounting (Blackwell Encyclopaedia of Management);
  - 3. Dean Croushore (2006) Money and Banking;
- 4. David C. M. Dickson (2005) Insurance Risk and Ruin (International Series on Actuarial Science);
  - 5. Eilís Ferran (2004) Building an EU Securities Market;
- 6. Christian Gourieroux, Joann Jasiak (2007) The Econometrics of Individual Risk: Credit, Insurance, and Marketing;
  - 7. Stephen F. LeRoy, Jan Werner (2001) Principles of Financial Economics;
- 8. Christian Leuz, Dieter Pfaff, Anthony Hopwood (Eds.) (2004) The Economics and Politics of Accounting: International Perspectives on Trends, Policy, and Practice;
  - 9. Marc Levinson (2006) Guide to Financial Markets.