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EVALUATION OF INTERNATIONAL BUSINESS CORPORATE MANAGEMENT SYSTEM IN THE CONTEXT OF CREATION INTERNATIONAL COMPETITIVE BENEFITS

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Summary. The paper investigates methods of assessing corporate management, the influence of the quality of corporate management on the cost of international companies, corporate risk assessment methods.

Key words: *corporate management, strategy, international company quality, index, analysis, efficiency.*

Statement of the problem. Advantages and potential of corporate structures, the basis of which is the consolidation of capital, cooperation and integrated interaction of participants, united by common goals and target of economic interests, allowing them to operate more efficiently than separate independent companies. But to create a competitive advantage and better functioning in modern conditions companies need to conduct a qualitative assessment of corporate management.

Analysis of recent studies and publications. Management of corporations and development of corporate forms of international business are reflected in the works of foreign and domestic scientists. However, the assessment of corporate management systems and the influence of quality of corporate management on the cost of international company were not completely considered by scientists that determines the relevance of this study.

The Problem Statement. The aim of the paper is to deepen the existing theoretical positions and practical recommendations for assessment of corporate governance of international companies, including use of indicators and methods for risk assessment of corporate management. The main objectives of the study are to investigate methods to assess the corporate management system, the influence of quality of corporate governance on the cost of international companies, to analyze methods for assessing corporate management risk, to estimate the influence of quality of corporate governance on the value of the company.

Grounds of the received scientific results. Effective financial and economic activities of the corporation, expressed in the growth of its value, confirm the effectiveness of corporate governance. In this case, the rate of EVA (Economic Value Added-value model of economic growth), reflecting the dynamics of the company, is the interpretation of quantitative objective, indicator of the quality of management decisions and the criterion of the effectiveness of corporate governance.

Permanent positive value of this index indicates an increase in company value, while negative – indicates its reduction. Reducing of EVA suggests that there are interesting investment projects on the market, so when index is descending value of the company is also reduced.

A positive value of the index in the current period can be achieved by reducing the costs (such as working capital, wages), the sale of assets. As a result, the value of EVA in the next period will fall sharply. For ascertaining the effectiveness of corporate governance information about the change of its value in one year is not enough, because it can also be the result of either a very low level of corporate governance in the previous year, or accidental success of the corporation, provided the improvement of the financial and economic situation, regardless of the effectiveness of corporate management. It is therefore necessary to consider the dynamics index, which calculates the relative changes in the value of the company for the year and for the entire period of time [8].

Thus, to assess the effectiveness of corporate governance, the first step is to calculate the value of all intervals. The next step is to calculate the relative change in the value of the company for each year and for the entire period of time completely (comparing each subsequent value of the index to the original):

$$V' = \frac{EVA_n - EVA_{n-1}}{EVA_{n-1}} \quad (1)$$

where:

EVA_n – the economic value of the company at the end of the period;

EVA_{n-1} – the economic value of the company in the previous period.

The main parameters that characterize the effectiveness of corporate governance are the sales of the company, the amount of profits and market value of the company.

In the group of qualitative techniques necessary to distinguish two methods as close as possible to use in today's environment. They are: comparative method and method of risk assessment of corporate management. Comparative method for evaluating the effectiveness of corporate management is to compare its mechanisms in different economic conditions corporation (usually geographic separation of countries).

The method of risk assessment of corporate governance is developed by Brunswick UBS Warburg. Existing and potential risks associated with corporate governance are divided into eight categories and 20 subcategories, each of which corresponds to a clear risk factor and guidelines for its application.

The rating of corporate governance by agency Standard & Poor's is a classic rating assessment and reflects the opinion of agency practices and principles of corporate governance.

To assess the quality of corporate governance author suggests using the classification performance by groups of indicators that are consistent with the factors and principles of corporate governance: abidance to the principles of corporate governance, the activities of the Supervisory Board and management, disclosure and transparency, abidance to the interests of the corporate relations.

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Method based on the indicators constructed code of corporate governance allows quickly determining the level of corporate management in a company. Each indicator (K) in the group assigned a value – 1 if it is positive for a specific company, 0 – otherwise. As a result, the value of the coefficient group comparable to the share of indicators with a positive value:

$$I_{ep} = dK(+)$$

However, each group of indicators for individual companies and foreign investors may have different significance. Therefore, the overall index of corporate governance quality indicators take into account the weight of the group in their total number:

$$I' = \frac{\sum(I_{ep} \times f_i)}{I_{\max}} \quad (2)$$

where:

I_{hr} – total score for i -th group of indicators;

f_i – weight of i -th group of indicators in the overall structure;

I_{\max} – maximum points for all groups of indicators [6].

To compare the quality of corporate governance is necessary to calculate the relative quality index obtained by comparing a particular company in the index of the maximum possible score. Thus, the effectiveness (level) of corporate governance should be reflected in a steady increase in the value of the company on the one hand, however, suggesting to solve a large number of quality issues related to the protection of ownership rights, the problems of asymmetric information distribution and control, on the other.

Conclusions. The approach of evaluating the effectiveness of corporate management in terms of quantitative and qualitative interpretation allows getting more information about the possibility of improving this level in the future. Combination of perspective options of the company and business model of corporate management provides a high level of importance of the company's competitiveness in the global market. Improving the quality of corporate management among international companies can be considered as their core business strategy.

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