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## ANALYSIS OF THE RISKS IN MANAGEMENT

Risk is the danger of losses in entrepreneurial activity if certain events occur. The main features of risk are: inconsistency, alternativeness and uncertainty.

Risk leads to a clash of objectively existing risky actions with their subjective assessment. As along with initiatives, innovative ideas, introduction of new promising activities that accelerate technological progress and influence public opinion and the spiritual atmosphere of society, there is conservatism, dogmatism, subjectivism, etc.

Alternativeness in risk implies the need to choose from two or more possible options for decisions, directions, actions. If there is choice, then there is no risk situation, and, therefore, no risk.

Uncertainty refers to the incompleteness or inaccuracy of information about the conditions of the project or decision. The existence of risk is directly related to the presence of uncertainty, which is heterogeneous in form and content.

In the economic world practice the following types of risks are encountered:

1. production. It is associated with the direct production of trade products and arises in the case of a sharp increase or decrease in the size of production, unforeseen costs, attracting new investments, development of innovations, etc.

2. commercial. It arises in the process of selling goods and services, a sharp change in demand, the growth of commodity costs, the development of new types of trade, etc.

3. financial. This risk is constantly present, because any enterprise carries out its financial relations with banks and other credit institutions, and its finances are embodied in securities.

When economic entities enter global industry markets, these types of risks can be modified and significantly increased, primarily under the influence of foreign environment. As a result, the following types of risks appear in world trade:

1. economic-legal risks. They are associated with national differences in laws and other regulations that regulate foreign economic activity;

2. political risks. They are associated with changes in the political situation in a country, for instance, a new government coming to power and its imposition of export or import restrictions, embargoes on goods, etc;

3. international risks proper. These risks are connected with the actions of international economic and financial organizations, which introduce new terms of trade, international standards, regimes of prohibitive or incentive measures in international trade.

Finally, in the foreign trade of each country, especially in export-import transactions, their conclusion and execution, the following risks arise:

1. the risk of non-fulfillment of the terms of the international contract (terms of delivery, discrepancies in quantity, quality, etc.);

2. risk of default on mutual settlement obligations or the so-called credit risk;

3. currency risk, arising from constant fluctuations in exchange rates;

4. the sales risk is connected with fluctuations in demand for export and import goods in the country or in a particular segment of the foreign market;

5. price risk arises from constantly changing world prices;

6. the commercial risk is manifested in the unfairness or insolvency of the population of the importing country and the loss of profit;

7. production and technical risk is associated with the inability to use licenses, patents, know-how bought on the world market in production or the inability to properly adjust the purchased equipment.

Risks can also be classified according to their consequences.

1. risk is a risk of a decision, as a result of non-execution of which the enterprise faces a loss of profit; within this zone the entrepreneurial activity preserves its economic expediency, i.e. losses take place, but they do not exceed the amount of the expected profit;

2. critical risk it is a risk at which the enterprise is threatened with loss of revenue; in other words, the zone of critical risk is characterized by the danger of losses, which certainly exceed the expected profit and in the extreme case may lead to the loss of all funds invested by the enterprise in the project;

3. catastrophic risk is a risk when an enterprise becomes insolvent; losses may reach the value equal to the enterprise's property status. This group also includes any risk associated with direct danger to human life or the emergence of environmental disasters.

Risk management is the process of developing and implementing solutions that minimize a wide range of impacts of accidental or malicious events, ultimately causing significant material damage to the firm.