

educational activity. However, in higher education system as a whole and at the level of each university, in particular, it is necessary to create conditions for finding and attracting new sources of funds.

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## FEATURES OF INVESTMENT PROJECT FINANCING IN CONSTRUCTION INDUSTRY

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*The most important task of the credit policy is an effective assessment of a borrower's credit worthiness. To calculate the credit worthiness of a customer a bank needs to collect some documents. In case of investment loans, purposed for new construction, reconstruction, or other construction and installation work, in addition to the package of documents a business plan of investment project is provided.*

Credit policy of a bank is a system of monetary measures undertaken by a bank to achieve certain financial performance, and is one of the elements of banking policy [1, p. 36].

Credit policy is an essential tool for achieving the strategic objectives of the bank. Its success preconditions financial result of a bank. The most important task of credit policy is an effective assessment of a borrower's credit worthiness. Selecting a method for assessing credit worthiness of a borrower requires careful consideration. Credit policy is the foundation of the whole process of credit risk management, as it defines the objectives and rules of bank conduct on the market of credit services, contains specific tools used by bank experts to perform credit operations. All methods of lending to borrowers are based on credit risk decrease.

Before giving a loan it is important for a bank to determine to what extent it is consistent with its credit policy (on the basis of information received from the customer in the form of questionnaires, the package of documents required for resolving lending issue, information kept by a bank, acquired from other credit institutions, specialized agencies and services, from publications). Analysis of a client's credit worthiness based on financial ratios, cash flow and business risk plays an important role. The risk level associated with a particular event is constantly changing due to the dynamic nature of external environment of banks. This makes a bank regularly clarify its position on the market, assess the risk of certain events, review the relationship with customers and assess the quality of its assets and liabilities, and therefore, adjust its policy of risk management.

Issuance of loans may result in permanent loss for a bank in cases when a borrowing company is not able to return with interest sums that are equal to their loans. Therefore, a lender must verify a borrower's credit worthiness, for which purpose he needs to learn how accurate the latter is in the repayment of loans [2, p. 24].

The credit worthiness of a borrower is a complex description of a company's financial condition that allows to assess its potential completely and to pay its debts to creditors within the agreement terms [3].

Each bank seeks to assess the credit worthiness of their borrowers more accurately in order to minimize credit risks. Credit rating of a borrower, a legal entity, consists of two stages: financial and qualitative analysis.

Qualitative analysis of a borrower's credit worthiness is based on the information that cannot be expressed in quantitative terms. A bank is studying business reputation of a potential borrower - honesty, integrity, leadership skills, work experience in the industry, turnover, timeliness of payments of previously obtained loans

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and economic environment of a borrower - the main business partners, product competitiveness, stability of markets. For these purposes, one may use information generated both by the bank and other banks, credit bureaus.

Financial analysis characterizes the financial condition of a borrower. At this stage, one must create an aggregated balance sheet; calculate financial ratios system on the basis of aggregate balance figures; assess business activity and business risk of an enterprise; make a forecast of financial condition of a company with the help of statistical models.

As a result of these indicators calculations a bank summarizes credit worthiness of potential borrowers' class, which is taken into account in the development of interest rate scale, determination of lending conditions and mode, assessment of credit quality.

In practice of European, American commercial banks methodology for credit worthiness assessing are common that are based on a set of evaluation parameters that influence the amount of credit risk. In Belarus, the methodology for such calculation is determined by each bank on its own. However, they must take into account the parameters specified in the "Instructions on analysis and control of financial condition and credit worthiness of entrepreneur activity", issued by the decree of the Ministry of Finances of the Republic of Belarus, the Ministry of Economy of the Republic of Belarus and the Ministry of Statistics and analysis of the Republic of Belarus dated 14.05.2004 No. 81/128/65 [4]. In accordance with this instruction to assess credit worthiness banks calculate the following ratios: current liquidity ratio; ratio of its own turnover funds; ratio of financial assets liabilities; absolute liquidity ratio; ratio of non-performing assets liabilities.

To calculate the credit worthiness of a customer a bank needs to collect some documents. In the case of investment loans, purposed for new construction, reconstruction, or other construction and installation work, in addition to the package of documents a business plan of investment project is provided.

Our analysis of regulating legal acts for business planning process outlined in [5], [6] showed that there are general provisions in areas such as business plan for a year-term development, business plan for 5 year-term development, business plan of an investment project. For the construction industry branch guidelines are designed for the development of a business plan for construction companies [7]. We paid our attention to the study of chapter "Performance indicators".

However, it was noted that performance indicators for construction and industry have no fundamental differences. Comparison of some indicators from the business plan chapter "Organization's performance indicators" in industry and construction are shown in Table. Therefore, essential features of construction organization functioning are not considered in branch guidelines for the development of one-year-term business plans for construction companies.

Table – Comparison of indicators from the chapter of business plan "Performance indicators" in industry and construction

Index	Industry	Construction
Current liquidity ratio		$\frac{\text{current assets}}{\text{short-term financial liabilities}}$
Ratio of its own turnover funds		$\frac{\text{sources of equity}}{\text{short-term financial liabilities}}$
Ratio of financial assets liabilities		$\frac{\text{financial liabilities}}{\text{total assets}}$
Turnover terms		$\frac{\text{accounts payable}}{\text{revenues from sales}} * 360$
<b>Break-even point</b>		$\frac{\text{fixed costs}}{\text{contribution margin}} * 100$

Source: own elaboration based on [5, 7].

Particular attention is paid to the method of calculating the break-even point of industrial and construction organizations. As can be seen from the data in Table 1, in the regulations there are no accurate differences in calculating the break-even point for the industry and construction. All regulations recommend that the break-even level is the ratio of fixed costs to marginal profit. However, we believe that it is wrong to overlook time factor, which is an important feature of construction products manufacturing.

Considering all the above mentioned, we can conclude that construction is a unique industry with its own characteristics. Consequently, in view of these features, one needs a specialized methodological set of tools to draw an effective business plan, adapted to the specific nature of construction industry, and capable to take into account the requirements of the lending bank, that wants to have a clear idea of break-even activity as a single

portion, and the organization as a whole. In addition, each building company will be able to adequately estimate the performance indicators of its operations, taking into account such functioning peculiarities as the duration and urgency of construction process.

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### TRADITIONAL ACTIVITIES IN THE REGION AS THE FACTOR OF IMPORT-SUBSTITUTION MODEL OF THE MODERNIZATION THE RUSSIAN ECONOMY

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*The article considers the state of the traditional crafts in the region based on the example of the Udmurt Republic. The factors of the import-substitution model have been selected. The ways of the Russian economy modernization through the development of traditional crafts on the basis of import-substitution model have been defined.*

The crisis in the global economy and the imposition of economic sanctions against Russia on the part of the developed Western countries have acquired a special urgency import substitution model of the modernization of the Russian economy. One of the most important areas of it lying on the regional level (especially in the Russian republics - and they number 22, i.e. approximately a quarter of the total number of subjects of the Russian Federation) is the renewal and development of the traditional crafts, which has long been engaged in the titular nations and nationalities living in them.

**The aim** is to determine the regional factors and features of the restructuring, modernization and upgrading (especially import-substitution model of modernization) of the Russian economy on the basis of the analysis and the study of positive foreign and domestic experience of innovative development of the reproductive systems. We used **the methods** of the comparative statistical analysis, strategic analysis and observations.

Modernization, technical reequipment and progressive restructuring of the Russian economy through the use of innovative technologies (including nanotechnology, biotechnology, etc.) are crucial for the effective innovative development of the country and the growing competitiveness of domestic products. All this will reduce the dependence of the level and pace of socio-economic development of the country of income due to export of resources to undertake the restructuring of the domestic economy, such as that advocated for a long time. It is also important that, this results in the improvement of the image of Russia, which is still often identified with a raw-material appendage of the developed world. Thus, in general, the global experience shows that the growth of the investments into the innovative sectors of the economy contribute to the accelerated development of the national economy of the country and to the raise of the average population living standard.

Thus, taking into account regional and sectoral characteristics is of a great importance during the modernisation being carried out. For example, one of the most important forms of the modernization in the republics of the Russian