

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY
Educational and Research Institute of Business, Economics and Management
Department of International Economic Relations

Leonid Zhuzha Maksimovich
(Full Name)

MASTER'S LEVEL QUALIFICATION PAPER
on the topic "INTERNATIONAL INSTRUMENTS OF FINANCIAL SUPPORT
OF COMPANIES"
Specialty 292 "International Economic Relations"

Student II Course Zhuzha L.M.
(course number) (signature) (full name)
group ME.m-11an
(group's code)

It is submitted for the Master's level degree requirements fulfillment.

Master's level degree qualification paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source

Research advisor professor, doctor of economic Taraniuk L.M.
(position, scientific degree) (signature)
(full name)

Sumy, 2022

SUMMARY
of Master's level degree qualification paper on the theme
“INTERNATIONAL INSTRUMENTS OF FINANCIAL SUPPORT OF
COMPANIES”

student Zhuzha Leonid Maksimovich
(full name)

The main content of the master's level degree qualification paper is set out on 31 pages, including a list of used sources of 19 titles, which is placed on 2 pages.

KEYWORDS: FINANCE TOOLS, INTERNATIONAL BUSINESS, IPO, COMMERCIAL BANKS, INTERNATIONAL COMPANY, CREDITS AND INVESTMENTS.

Relevance of the research topic. Today, international companies and TNCs are practically full participants in international law and international relations. Support and organization of international business is a complex matter and a huge number of tools are required to support such a machine on the go. International business can be supported by various tools: technology exchange, outsourcing and attracting cheap labor, modernization of production, etc., but all these tools require one main tool - financial support for the business. In fact, international business is not able to exist without additional funding due to its size at least. In the international economy, there are quite a lot of sources of financial resources and orientation in them is critical for the management of any company that is going to expand its production, enter the international market or become transnational.

The purpose of the research is the theoretical and methodological analysis of existing financial supporting tools that could be used by individuals or countries.

The tasks of the research are the following:

- Explore existing methods of financial support and find the most effective or frequent ones
- Understand which institutions or individuals in the world can provide assistance
- Understand in practice what funds and business investment strategies are
- Deepen knowledge regarding one of the instruments for financing international business

The object of research is the international economy and business

The subject of research are finance tools for supporting international business

Research methods. The following research methods were used to reveal the tasks: analysis, synthesis, induction, deduction, abstraction, description and generalization.

Coursework structure. The course work consists of an introduction, three sections of the main part, conclusions and a list of used sources.

Year of Master's level qualification paper fulfillment is 2022

Year of Master's level paper defense is 2022

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY
Educational and Research Institute of Business, Economics and Management
Department of International Economic Relations

TASKS FOR MASTER'S LEVEL DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations ")

student II Course course, group ME.m-11an

(course number)

(group's code)

Zhuzha Leonid Maksimovich

(student's full name)

1. The theme of the paper is «International instruments of financial support of companies»

approved by the order of the university from " ___ " _____ 20 __ № ___

2. The term of completed paper submission by the student is " ___ " _____ 20 __

3. The purpose of the research is the theoretical and methodological analysis of existing financial supporting tools that could be used by individuals or countries.

4. The object of the research is the international economy and business.

5. The subject of research is are finance tools for supporting international business.

6. The qualification paper is carried out on materials of UNCTAD , VIPO and World Bank

7. Approximate master's level degree qualification paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 THEORETICAL BASICS OF EXISTING FINANCIAL TOOLS FOR SUPPORTING INTERNATIONAL BUSINESS

(title, the deadline for submission)

Chapter 1 deals with the essence, forms and channels of financial support international companies.

(the content of concrete tasks to the section to be performed by the student)

Chapter 2 PRACTICAL ASPECTS OF FINANCIAL SUPPORTING OF INTERNATIONAL BUSINESS (title, the deadline for submission)

Chapter 2 deals with activity of international institutions and individuals in the field of financial support for international business.

(the content of concrete tasks to the chapter to be performed by the student)

Chapter 3 PRACTICE OF IPO AS THE NEWEST AND MOST AFFORDABLE WAY TO ATTRACT FINANCIAL RESOURCES FOR BUSINESS (title, the deadline for submission)

Chapter 3 deals with IPO as one of the financial supporting tools for international business.

(the content of concrete tasks to the chapter to be performed by the student)

8. Supervision on work:

Chapter	Full name and position of the advisor	Date	
		task issued by	task accepted by
1	Taraniuk L.	1/12/22	7/12/22
2	Taraniuk L.	8/12/22	15/12/22
3	Taraniuk L.	16/12/22	20/12/22

9. Date of issue of the task: " 20 ___ " 12 ___ 2022 _

CONTENT

INTRODUCTION.....	7
1 THEORETICAL BASICS OF EXISTING FINANCIAL TOOLS FOR SUPPORTING INTERNATIONAL BUSINESS.....	9
1.1 Types of international instruments for financial support of business.....	9
1.2 Central institutions that provide funding in the EU and world.....	12
2 PRACTICAL ASPECTS OF FINANCIAL SUPPORTING OF INTERNATIONAL BUSINESS.....	15
2.1 Existing European Union funds and programs.....	15
2.2 Investment strategies as one of the central financial supports type for any business.....	18
3 PRACTICE OF IPO AS THE NEWEST AND MOST AFFORDABLE WAY TO ATTRACT FINANCIAL RESOURCES FOR BUSINESS	22
3.1 How to invest into IPO and how to choose a company.....	22
3.2 Example of choosing a company for IPO.....	25
CONCLUSIONS.....	27
LIST OF REFERENCES.....	28
ANNEXES.....	30

INTRODUCTION

Relevance of the research topic. Today, international companies and TNCs are practically full participants in international law and international relations. Support and organization of international business is a complex matter and a huge number of tools are required to support such a machine on the go. International business can be supported by various tools: technology exchange, outsourcing and attracting cheap labor, modernization of production, etc., but all these tools require one main tool - financial support for the business. In fact, international business is not able to exist without additional funding due to its size at least. In the international economy, there are quite a lot of sources of financial resources and orientation in them is critical for the management of any company that is going to expand its production, enter the international market or become transnational.

Financial support can give any business a chance to endure trials and go through periods of crisis (personal or due to an unstable situation in the world, for example), as well as to modernize or reach a new level more quickly and efficiently, which is why this topic is so important, because from financial support comes from the availability of other operational resources of the companies.

The purpose of the research is the theoretical and methodological analysis of existing financial supporting tools that could be used by individuals or countries.

The tasks of the research are the following:

- Explore existing methods of financial support and find the most effective or frequent ones
- Understand which institutions or individuals in the world can provide assistance
- Understand in practice what funds and business investment strategies are
- Deepen knowledge regarding one of the instruments for financing international business

The object of research is the international economy and business

The subject of research are finance tools for supporting international business

Research methods. The following research methods were used to reveal the tasks: analysis, synthesis, induction, deduction, abstraction, description and generalization.

Coursework structure. The course work consists of an introduction, three sections of the main part, conclusions and a list of used sources. The work is presented on 35 pages.

1 THEORETICAL BASICS OF EXISTING FINANCIAL TOOLS FOR SUPPORTING INTERNATIONAL BUSINESS

1.1 Types of international instruments for financial support of business

As the central rule of economics says, demand creates supply. So today, due to the need, there are a huge number of tools for financial support. I would like to highlight the main ones:

- Banking credits
- Leasing
- Self-investments
- Various grant programs and international assistance
- Investments from private or institutional investors (obligations issue)
- IPO
- Crowdfunding
- Factoring

Bank loans cover a huge share of all financing for international projects and businesses. Such loans are able to cover from the financing of foreign trade operations to the design of new buildings. Thus, businesses of various sizes are able to receive long-term financial support to restructure their existing debt (for example). The largest investment banks can be called: Goldman Sachs (for EU and US regions), Bank of America (for EU), Morgan Stanley (Worldwide), NedBank for African region and UBS for Asia. The biggest 2 banks are GS and MS.

Speaking about leasing or financial lease - everything is simple here. This is the name of the process of long-term lease of property on the terms of payment and return or redemption. For example, a company that is engaged in deforestation can place its Christmas trees for sale on the territory of a restaurant with a garden. Thus, a restaurant that does not use the territory of the garden in winter can lease it

and receive additional revenue. In addition, the subject of leasing may be other assets, such as special machinery or equipment. Based on all this, having something in its assets, a business can always attract financial or other resources to support its life. However, raw materials cannot be leased, although who knows, perhaps this practice is already being used somewhere.

The most striking example of grant programs for businesses is the practice of the European Union. There are such institutions as the European Investment Bank, the Investment Fund and the Bank for Reconstruction and Development. The EIB provides global loans, while the activities of the EIF are related to the formation of capital of venture capital funds and the provision of business guarantees. EIF venture capital financing is implemented through equity investment in the capital of venture funds and business incubators, focused on supporting innovative projects in the early stages and financing the development of high-tech enterprises. The guarantee instrument of the European Investment Fund consists in providing guarantees to financial institutions that insure loans granted to SMEs. EIB global loans and EIF activities are closely interrelated and in practice work in symbiosis. Issuing bonds and attracting investors is the second most popular instrument for raising funds. Its essence lies in the fact that the company attracts investors by issuing and offering them securities, thereby increasing its investment attractiveness. For this, investors can receive dividends (a percentage of the company's profits). There is a whole roadmap for issuing bonds that you always need to paint before taking such a step. In addition, it is not uncommon for investors to even enter the circle of shareholders of the company and take a central place in its management. That's what happened to Apple during the dawn of Steve Jobs.

An initial public offering, or IPO (Initial Public Offering), is the first public sale of a company's shares to the general public. During the IPO, the company issues shares and places them on the stock exchange, and any interested investor or investment fund can purchase securities. A company cannot simply issue new shares and immediately list them on the stock exchange. Before that, she will have

to go through several stages, in which investment banks, lawyers, marketers and many other specialists will participate. The company must prepare itself for the fact that it will no longer be private, but will be public, as this market has its own rules and requirements. In order to enter the stock exchange, a company must have a good business history and prepare transparent financial statements for several years. For example, only a company with a preliminary value of at least \$50 million can list its shares on the New York Stock Exchange.

Classic crowdfunding

Raising funds for any purpose or idea, and not necessarily commercial. This mechanism is suitable for financing charitable, creative, educational or environmental projects. Crowdfunding can also be used to raise money for personal purposes. In exchange for financing, investors can become the first recipients of a product or service being developed in the future, receive some souvenirs, mention themselves as sponsors of the project, etc.

Crowdlending

Attracting financing in the form of a loan from several investors with the help of an intermediary - an investment platform. A company can raise funds from citizens (P2B) or other businesses (B2B). This mechanism is suitable for companies that have already been operating on the market for a certain time and are able to confirm their solvency.

Crowdfunding

Raising financing in exchange for a share in the company or a portion of the future profits of the business. This mechanism is suitable for start-ups or existing small businesses implementing new projects. [1]

I would also like to say separately about the huge impact of both private investments from individual investors such as Warren Buffett and other big investors and self-investments of the companies themselves. The most striking example of self-investment is Apple's social responsibility program. This company invests its funds in allied companies so that they would have the opportunity to use resources less aggressively towards nature and switch to alternative resources. It

can even be said that self-investment is almost the basis and base for any business, from local to international. This is how another company, Netflix, often distributes its resources by investing in individual producers of film projects and game production.

1.2 Central institutions that provide funding in the EU and world

One of the central institutions that support small and medium-sized businesses in the EU is the European Investment Bank. In fact, since the late 90s, it has been providing access to financing through various programs. In fact, the resources of this institution are used by other guarantee institutions so that their banking partners can give loans to enterprises.

In addition to the EIB, there is also a separate AESM group, whose members have been partners in the provision of financial instruments since the earliest times. Today they are the main financial intermediaries of the largest program to increase the competitiveness of European enterprises COSME. In addition to this group, this program is also financed by the European Fund for Strategic Investments.

In addition, the EIF works in such a way that it provides financial resources not directly, but through a system of intermediaries, such as banks or venture funds.

There are also other international representatives of financial resources. The three largest types of such representatives are commercial banks, credit unions and saving banks. Commercial banks are able to provide not only short-term business loans, but also consumer and mortgage loans, and generally have very broad financial powers. In addition, if you take the US as an example, these banks always operate under the supervision of each of the states in strict rules.

But credit unions are something more intimate. Usually these are closed non-commercial organizations for a limited circle of people, whose deposit bases are personal funds, and the institution is controlled by general management. Such organizations seek both to encourage savings and to provide their members with

surplus funds at a low cost. In fact, recently such unions can do what banks or savings associations do, that is, offer time deposits, checking accounts, money market accounts, provide mortgage loans, and even issue credit cards. What distinguishes them from banks is that they are exempt from federal taxation. [4]

2 PRACTICAL ASPECTS OF FINANCIAL SUPPORTING OF INTERNATIONAL BUSINESS

2.1 Existing European Union funds and program

The financial resources provided by the European Union are good because they are provided to companies of any size and in any sector. Thus, European investors, local European banks and venture capitals can easily lend money. Among the most common financial support tools are:

- Business loans;
- Microfinance
- Guarantees and venture capital

There are two types of financing: direct and indirect. The difference lies in the fact that in the first case, European institutions are involved in the distribution of capital, and the financing itself is offered through a system of grants. Thanks to a special call for proposals, you can apply for a grant, but only if your business is somehow connected and promotes EU policies and also somehow contributes to the implementation of those policies. In turn, indirect financing is managed by the regional authorities and is carried out through 5 major European investment funds and in general makes up almost 80% of the European Union budget: [5]

- European Regional Development Fund. Economic disproportions between different countries and regions of the EU is one of the main problems and challenges to combat. That is why this fund exists, to strengthen economic, territorial and social cohesion and to be closer to citizens. Speaking about the domestic kitchen - here they take responsibility for the management and

selection of projects for funding by the European Commission and national authorities. The following fund policies are planned for 2021-2027: innovative digital business, green and sustainable innovation, proximity to citizens and mobility, education, improving skills and generally raising the level of culture across the EU. In short, the focus is on a smart, competitive Europe and the transition to a green economy. It is noteworthy that for the implementation of such plans, developed countries will allocate at least 85% of their allocations to the initiative, while the least developed countries will only 8%. Thus, it is planned to achieve a balance. [6]

- European Social Fund
- Cohesion Fund. This fund is aimed specifically at the least developed regions of the EU and their support. Climate goals are also among the main ones. It is noteworthy that for the years 21-27 the list of countries under this fund also includes Poland, the Czech Republic and the Baltic countries. [7]
- European Agricultural Fund for Rural Development. Everything is simple here - the fund is aimed at supporting the competitiveness of rural regions and is the second most important business support policy in the EU. This also includes forestry. Other goals of the fund include the sustainable use of natural resources and the fight against climate change. To do this, the fund creates special development programs that work on such priorities as: knowledge transfer and innovation in the agricultural sector, sustainable forest management and promotion of innovative technologies, livestock welfare and risk management in agriculture, transition to a green economy in agriculture, poverty reduction in rural areas. regions. [8]
- European Maritime and Fisheries Fund. Here, too, everything is clear - there is an emphasis on adapting the fishing industry to sustainable farming methods, supporting coastal farms and, in general, developing maritime culture and the entire European coast. [9]

In addition, there are separate business support programs from the European Union, such as:

- COSME programme. This program aims in principle to support small and medium-sized businesses at all stages of their life cycle, provide financial resources, help find business partners and markets, help understand EU policies and legislation. And speaking of sales markets, we are talking about both European markets and outside the EU. This also includes intellectual property issues. This fund is also engaged in providing resources for business digitalization and management training. In addition, the creation of new business models and healthy competition are encouraged, as well as the administrative and regulatory burden is reduced + emphasis is placed on business areas with high growth potential, such as tourism. This program is so big and important that it creates 85% of new jobs for the European economy and forms the basis of the same European economy. [10]
- InnovFin Programme. This initiative is aimed at innovative enterprises and businesses and their support. It is being handled by the European Investment Bank Group and the European Commission. It is important to understand that within the framework of this program, there is support for those projects that are inherently more risky and difficult to assess, which is why they often face difficulties in financing. In other words, this initiative is for technology start-ups with the potential to grow into TNCs. Financing here is provided both directly and through intermediaries. [11]
- Creative Europe programme. It is clear from the title what this funding program focuses on. Here, special attention is paid to the creative sector and cultural cooperation. For example, the film industry, theater, journalism, etc. [12]
- The Employment and Social Innovation (EaSI) programme is a financing instrument which works with such areas as labor protection, quality and sustainability of employment, social protection, poverty

and, in general, the improvement of working conditions in international and local business. In addition, there is the promotion of geographic mobility, the development of an open labor market, microfinance for vulnerable groups and social enterprises. Special attention is also paid to gender equality and youth. [13]

- European Structural and Investment Funds
- European Investment Bank and European Investment Fund

Thus, in the EU there are a huge number of programs and funds that support businesses of any size from any sector of the economy, which makes the European sphere of financial support for business one of the most flexible and interesting to study in the world.

2.1 Investment strategies as one of the central financial supports type for any business

As mentioned earlier, investment in individual companies and entire sectors of the international economy is one of the most common, simple and affordable tools for attracting financial resources and financial support. Investors are very different from a simple housewife to large institutional or private investors, as well as banks. But they are united by the fact that you always need to follow certain investment strategies so that it is always legally savvy, minimally risky (and there are always risks in this business, it's just a question of where is less and where is more) and also profitable for both investor and for the company in which they invest. That is why there are certain investment strategies:

- The first strategy is one of the most simple and primitive to date, and accessible to anyone, even ordinary Ukrainians, which provides a huge amount of resources for companies. There are certain brokers that allow anyone to buy shares of companies or indices at one price and hold to sell at a higher price. This is not too risky and quite effective, but only if you clearly know which companies to buy and at what moment, otherwise the entire

effectiveness of the strategy will be lost. And to take into account all these points, specialists in the field of finance and investment are always needed. Sometimes a company can attract a lot of resources and just not justify itself and you will only lose money and the company will go bankrupt, and that is why you should always diversify your risks. In a word - managing an investment portfolio in such a strategy is a laborious, long-term task and requires additional costs for experts.

- The strategy of investing in growth stocks, that is, stocks of companies that are based on sentiment, can be both very profitable and risky at the same time. Usually, companies that are expected to have high annual profits need to justify themselves if the opposite happens - the stock price changes very quickly and sharply. Nevertheless, investing in companies that have potential and are focused on innovation and the future can be very interesting in principle from the point of view of sports interest.
- The most common and common investment strategy is investing in the moment, only the difference from the second strategy is that funds are invested here precisely based on some events or economic indicators at the moment and not expectations of what will happen in the end, that is, there is an attempt to ride that the most momentum of the price. A very fast and profitable strategy, but the risks because of this grow more than with the first two strategies, and by a lot.
- But value investing is one of the most stable strategies in the long run, bringing stable profits to both parties. Everything is very simple, we choose those shares that are quoted below their fair value, that is, the company is not overvalued. The lower the valuation of the company's shares, the less it must earn in order to receive a decent profit in the future. However, as in the first case, the help of experts is needed here in order to determine high-quality and cheap stocks, because often a company can deservedly be cheap.
- Small Capitalization Investing. Very similar to the previous strategy. Only here small companies are sought out that go unnoticed and are traded at a

discount. In addition, if you are an early investor, you can get additional profit if the company's shares are later noticed by others. But even here you will need the servant of an expert in the field of investment portfolios, because such stocks are very liquid, prices are volatile, and research is especially time-consuming.

- Dividend Investing. Buy shares of a company that will consistently pay dividends. Everything is very simple. You get a stable high income through the receipt of dividends and companies through free profitability protect themselves from recessions in this way. The only disadvantage of this investment is the selection of a company and the low growth rates of shares of such companies.
- ESG Investing. Investing in ESG funds is a new strategy that has not yet proved its effectiveness. The bottom line is to invest in the green economy as a sector that can show serious and rapid growth in the near future, especially in Europe. Although the chance of making a profit is high, the risks are also high due to the novelty for the investment industry.
- Factor investing is also a fairly simple strategy. We simply pick stocks that have proven to work over the long term. Among such factors may be market value, growth, momentum, volatility, quality. In other words, the decision is made on the basis of empirical data and not theory.
- The tactics of passive investment is of particular interest, because in my opinion it is almost the most stable and least risky. This is because investing is carried out not in individual stocks, but in indices that contain many different stocks of companies, that is, risk diversification occurs automatically. This is realized through the purchase of ETF funds that charge the lowest possible commission, but at the same time for 1 transaction you will have hundreds or even thousands of important shares. And the amount saved on commissions will accumulate in the form of compound interest, which makes this strategy even more attractive and profitable. In general, a definite recommendation.

- Short selling is one of the only ways to capture downside returns. However, this strategy can only be used in the CFD type of investment, that is, open a deal at one price for a certain amount of time and, if the deal is closed, make a profit based on the difference between the closing and opening prices. That is, there was a share at 100, it became at 101, and you bought these shares - in this case, your profit will be 1 conventional unit, and if the share price drops, you will lose your funds in the same amount. In general, this is a profitable strategy because you can always make a profit in any market, even though the price falls or rises, but you need to devote a lot of time to this type of investment and actively manage your portfolio, this requires a huge amount of experience and knowledge, the risks are as high as profit is directly proportional, and the strategy can be called speculation rather than investment. On the other hand, this is also a cool solution.
- Multi Asset Investing - This is precisely the peak of the investment business, which can only be handled by experts. Its essence lies in the complete diversification of a professional investment portfolio, which will include not only stocks but also commodities, currencies or cash, bonds, hedge funds, real estate and private equity funds. In other words, the portfolio will be reduced to minimal risk and will only be vulnerable in the worst market conditions called the global crisis, as it was during the coronavirus, and yet the market has recovered, so this strategy is an impenetrable wall in terms of reliability and also gets the highest score.

Thus, among a huge number of investment strategies, you can always choose the most profitable and affordable strategy for yourself, for example, if you don't have a lot of resources, you can choose speculation, and if there are plenty of resources but you don't want to take risks, invest in multi assets or indices. Those who want to get thrills and have a lot of money can choose to invest in dangerous but promising companies, and those who are chasing maximum profit and have an average amount of money at the same time can try to buy stocks with dividends. Based on all this information, it can be concluded that any business from start-ups

to international business, with the correct issue of shares, will always receive sufficient financial resources as support only from the investment sector, which makes it one of the most important instruments of financial support for international business. [14]

3 PRACTICE OF IPO AS THE NEWEST AND MOST AFFORDABLE WAY TO ATTRACT FINANCIAL RESOURCES FOR BUSINESS

3.1 How to invest into IPO and how to choose a company

Previously, in the previous topics of this work, we talked about various programs for lending, supporting and investing in international business, but there is one question that has not yet been answered - what to do with a business that wants to become public, open to the public. That is why there is such a thing as investing and participating in IPO. It is considered to be both the riskiest and most profitable way to invest, as well as the fastest. The essence is extremely simple and lies in the very name of this concept: Initial Public Offering, that is, in other words, an initial public offering, during which the company offers to buy its shares to an unlimited number of investors and becomes public. That is, in fact, investors of any size and with any capital can buy shares of the most attractive companies even before they are listed on the stock exchange, and companies can get an incredible boost in financial resources in the shortest possible time. [15, p. 3]

What is the trick in this case? The company does not borrow money, but rather exchanges it for a share in its business, that is, any business owner needs to be prepared for the fact that for a huge amount of fast resources they will have to

pay with their property for the benefit of investors. But the investor should always remember that you can join the IPO, and the procedure requires waiting before the money can be taken (that is, when the company is officially listed on the stock exchange), anything can happen during this time and the startup can go into decline, and your funds will be frozen. As a result, you buy 1000 shares at 3-4 euros, and at the opening you get a company for 0.50 - 1 euros, which did not justify itself. And in this case, it is not difficult to calculate the losses, while nothing can be done. For that, it is easier for public companies to receive loans from banks due to their open financial statements.

There are other advantages, for example, getting an assessment of your business through a quote on the stock exchange and through public status, getting more attention, fame and marketing. In addition to everything, if your goal was to sell your business profitably, this can also play an important role in negotiations.

With all this, as in the case of a bond issue, the IPO procedure also has its own specific stages and stages both for the company and for investors. I want to start with companies:

1. First of all, underwriters, that is, investment banks, are hired, invest their funds in the IPO procedure and buy back shares before they go to the stock exchange;
2. After that, as in the procedure for issuing bonds, the company, together with the underwriters, develops and publishes an emission prospectus, that is, a form that will indicate all the facts about the company, its purpose for using the funds received, financial statements of recent years, possible risks, etc. After this form is already submitted to the US Securities and Exchange Commission (for example).
3. Next comes the Roadshow, as in the case of the issue of bonds. The company travels the world and conducts presentations for potential investors: about business, risks, prospects, everything to attract more investors, and already during this process, a preliminary collection of applications begins, who wants to buy and how many shares, at what price.

4. The final stage is going public, getting the final share price and starting trading when any private investor can buy any number of available shares, which is announced in advance. [15, p. 4-5]

The minimum entry threshold is usually very high, but it also depends on who the underwriter is, because it is the underwriters who accept applications and set the amount of deposits. Although it is still possible to unite in some kind of team and participate collectively in this procedure. In total, we have both a plus and a minus, the minus lies in the high entry threshold sometimes, and the plus - due to the large number of people who want to open the price on the exchange - the price tag grows even stronger and brings additional profit. In addition, there are also other risks, for example, partial execution of orders, for example, I bought shares for 2000 at the beginning and executed for 1000 and you will find out about this only after the IPO procedure. Well, wait a long time for the investor himself - 180 days.

Well, if we talk about the participation of investors in the procedure, then there is something similar to the purchase of ordinary shares:

1. We find a broker that provides an opportunity to participate in an IPO, in Ukraine, for example, this is Freedom Finance. It is important to understand that not all brokers provide such a service.
2. After a thorough analysis, we select a company or companies among the list of brokers and determine the amount that we want to invest. It is important to understand that the lock-up will last 180 days and the funds will be frozen, that is, it is important not to invest all the funds but 1/3 and leave part of the funds for other projects or ideas.
3. Well, then the standard procedure is to open a deal with a broker, having previously opened your own account with him and find out the details of the deal.

Finding a company to invest in IPO is quite difficult and requires certain knowledge in the field of finance. The first thing to do absolutely always is to use

the DSF discounted cash flow method, simply because otherwise it will not be possible to calculate capitalization, because without quotation on the stock exchange there will not be enough classical data. However, you can use the data that the company will lay out in the prospectus. For example:

1. We find the value of the enterprise by adding the market capitalization and the company's debt minus free cash.
2. You can also find out the value of a company through the sum of its current cash flows and the current value of the company.
3. In total, the final formula for determining the fair value of the company will look like a merger of the first two points, that is, point 2 - debit + cash. You only need to find the future free cash flows of the company and the terminal value.

In general, this procedure is very complicated and requires even more calculations, finding discounts, forecasting earnings and costs, the terminal value of the company, the cost of one share and much more, so you always need to protect yourself and hire experts to calculate all this and avoid mistakes. [15, p. 12-16]

3.2 Example of choosing a company for IPO

In order to clearly show how to choose a company from a fundamental point of view - let's take Opera as an example and analyze it. Imagine that the company is worth \$12 per share. The main product of the company is the Opera browser, which is also the main product of the company's monetization, which the company has recently been actively developing primarily in the direction of smartphones and tablets as a mobile version.

The company receives profit from the sale of advertising and royalties for the integration of Yandex and Google search engines inside its browser. And the ratio is somewhere around 40 to 60.

The distribution of funds is very logical - marketing, research and development of artificial intelligence, brand promotion, in general, everything to increase its effectiveness.

And finally, the risks that will play a key role in making a decision. This is the presence of competitors from Google, Yandex, Apple and Microsoft. All these giant corporations have their own browsers and are actively developing them, but the worst thing is that as a result, Google and Yandex may simply refuse to integrate their search engines into the Opera browser and the company will remain from most of its profits.

Since it is the potential profit and development of companies that is important to us, we cannot make a positive decision regarding its purchase. Moreover, profit diversification is very poor and the competitive environment is too stuffy.

Another example is SONOS, which is very famous in the USA for its development and sale of smart speakers, audio systems, headphones, software and integration of different content providers like Apple Music or Spotify. Sounds good, let's analyze it further.

With the plan for the use of the funds received, everything is not so clear - some general directions such as marketing, capital expenditures, expenses for corporate purposes, etc.

The company showed more profit than the previous one, which definitely looks like a positive, because the company's progressive profit from year to year is always positive.

The risk factors are the same - high competition from such giants as Google Amazon and Apple, which can make it difficult to increase its market share. In addition, the company lacks production diversification. This means that the company has a contract with only one manufacturer of products, and if something happens to him, the company will suffer emergency losses and experience a stressful period due to reorganization. In addition, there is a dependence on

component suppliers, unlike Apple. Plus, there may be patent disputes over open source software.

In total - there are pluses and minuses, the company holds positions and decent profits in the face of strong competition, however, the company should be considered only as a long-term investment and the purchase of this company carries increased risks.

In other words, you should always evaluate companies reasonably if you have limited resources, but you can also take risks, the main thing is just to gain experience in participating in IPO, because sometimes it is difficult to find the line between risk and analysis and you just need to go to the end.

CONCLUSIONS

Thus, we now understand that there is not only lending and attracting investments through the issuance of bonds, but also alternative ways to attract international and foreign capital. Lending is considered to be the most effective and common tool, while IPO is the newest way to raise funds, which is used by only a few startups when they go public. Just about this method of raising finance is discussed in section 3 of this work. In the case of Ukraine, Ukrainian businesses now receive more subsidies from the Ukrainian authorities and European partners, which is a significant support in wartime, however, only large companies can enjoy this. For small and medium-sized businesses, bank lending and leasing are still the central and main methods of raising capital. At the same time, the largest international corporations are issuing bonds, attracting an increasing number of investors to their assets. Companies such as Netflix or Apple always have a section for investors on their official websites, which indicates their openness to the general public.

At the same time, the work answers all the questions posed in the section of goals and objectives. From the work you can learn not only the theoretical aspects of financing international business, but also choose the most profitable favorable investment strategy, find out which program to apply for financing your business and how to get a huge amount of funds being a small but promising startup through the IPO procedure. This work is aimed not only at theory but also at deepening the essence of some financing instruments such as investment and participation in the IPO procedure.

Nevertheless, you should always remember that financing your business implies a huge responsibility, unless it is self-investment of available funds, because you have certain obligations to any bank or fund to complete the tasks and, in the end, not only issue predictable indicators, but also out of bounds.

LIST OF REFERENCES

- 1) What is Craudfinancing [Электронный ресурс]. – 2021. – Режим доступа до ресурсу: <https://openbusiness73.ru/chto-takoe-kradfinansirovanie#:~:text=%D0%A7%D1%82%D0%BE%20%D1%82%D0%B0%D0%BA%D0%BE%D0%B5%20%D0%BA%D1%80%D0%B0%D1%83%D0%B4%D1%84%D0%B8%D0%BD%D0%B0%D0%BD%D1%81%D0%B8%D1%80%D0%BE%D0%B2%D0%B0%D0%BD%D0%B8%D0%B5&text=%D0%9A%D1%80%D0%B0%D1%83%D0%B4%D1%84%D0%B8%D0%BD%D0%B0%D0%BD%D1%81%D0%B8%D1%80%D0%BE%D0%B2%D0%B0%D0%BD%D0%B8%D0%B5%20%E2%80%93%20%D1%8D%D1%82%D0%BE%20%D0%BF%D1%80%D0%B8%D0%B2%D0%BB%D0%B5%D1%87%D0%B5%D0%BD%D0%B8%D0%B5%20%D1%81%D1%80%D0%B5%D0%B4%D1%81%D1%82%D0%B2%20%D0%BD%D0%B0,%D0%BD%D0%B5%D1%81%D0%BA%D0%BE%D0%BB%D1%8C%D0%BA%D0%B8%D1%85%20%D0%B8%D0%BD%D0%B2%D0%B5%D1%81%D1%82%D0%BE%D1%80%D0%BE%D0%B2%20%D1%87%D0%B5%D1%80%D0%B5%D0%B7%20%D1%81%D0%BF%D0%B5%D1%86%D0%B8%D0%B0%D0%BB%D1%8C%D0%BD%D1%8B%D0%B5%20%D0%BF%D0%BB%D0%B0%D1%82%D1%84%D0%BE%D1%80%D0%BC%D1%8B..>
- 2) What are Financial Instruments and Financial Intermediaries? [Электронный ресурс] // АЕСМ. – 2021. – Режим доступа до ресурсу: <https://aecm.eu/guarantees/financial-instruments/>.

- 3) Tools for financial support of industrial enterprises [Электронный ресурс]. – 2020. – Режим доступа до ресурсу: <https://posibniki.com.ua/post-instrumenti-finansovoio-pidtrimki-diyalnosti-promislovih-pidpriemstv>.
- 4) ABC's of Banking [Электронный ресурс] // State of Connecticut Department of Banking. – 2021. – Режим доступа до ресурсу: <https://portal.ct.gov/DOB/Consumer/Consumer-Education/ABCs-of-Banking--Banks-Thrifts-and-Credit-Unions>.
- 5) FINANCING YOUR BUSINESS IN THE EU [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: <https://op.europa.eu/webpub/grow/factsheets/financing-your-business/en/>.
- 6) European Regional Development Fund [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: https://ec.europa.eu/regional_policy/funding/erdf_en.
- 7) Cohesion Fund [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: https://ec.europa.eu/regional_policy/funding/cohesion-fund_en.
- 8) Agriculture and rural development [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: https://agriculture.ec.europa.eu/common-agricultural-policy/rural-development_en#eafrd.
- 9) European Maritime and Fisheries Fund (EMFF) [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: https://oceans-and-fisheries.ec.europa.eu/funding/european-maritime-and-fisheries-fund-emff_en.
- 10) COSME- Europe's programme for small and medium-sized enterprises [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: https://single-market-economy.ec.europa.eu/smes/cosme_en.
- 11) InnovFin - EU Finance for Innovators [Электронный ресурс] // European Investment Bank. – 2022. – Режим доступа до ресурсу: <https://www.eib.org/en/products/mandates-partnerships/innovfin/index.htm>.
- 12) Creative Europe Desk Austria [Электронный ресурс] // Creative European Media. – 2022. – Режим доступа до ресурсу: <https://www.creativeeurope.at/>.
- 13) EU Programme for Employment and Social Innovation (EaSI) [Электронный ресурс] // European Commission. – 2022. – Режим доступа до ресурсу: <https://ec.europa.eu/social/main.jsp?catId=1081>.
- 14) 11+ Investment Strategies – Which investment style is right for you to invest in the stock market? [Электронный ресурс] // Lehner Investments. – 2022. – Режим доступа до ресурсу: <https://www.lehnerinvestments.com/en/investment-strategies-stock-market/#buy-and-hold-investing>.
- 15) Как инвестировать в IPO, 2021. – (INITED TRADERS).

- 16) Finance and support [Электронный ресурс] // European Comission. – 2022. – Режим доступа до ресурсу: https://commission.europa.eu/business-economy-euro/doing-business-eu/finance-and-support_en.
- 17) СОВРЕМЕННЫЕ ФИНАНСОВЫЕ ИНСТРУМЕНТЫ ДЛЯ ПОДДЕРЖКИ МАЛОГО БИЗНЕСА НА ПРИМЕРЕ ГОРОДА-МИЛЛИОННИКА [Электронный ресурс]. – 2020. – Режим доступа до ресурсу: <https://izron.ru/articles/ekonomika-finansy-i-menedzhment-tendentsii-i-perspektivy-razvitiya-sbornik-nauchnykh-trudov-po-itoga/sektsiya-3-finansy-denezhnoe-obrashchenie-i-kredit-spetsialnost-08-00-10/sovremennye-finansovye-instrumenty-dlya-podderzhki-malogo-biznesa-na-primere-goroda-millionnika/>.
- 18) Лучшие инвестиционные банки мира 2022: M&A практика [Электронный ресурс]. – 2022. – Режим доступа до ресурсу: <https://inventure.com.ua/analytics/articles/luchshie-investicionnye-banki-mira-2022:-manda-praktika>.
- 19) Что такое IPO [Электронный ресурс] // RBK. – 2022. – Режим доступа до ресурсу: <https://quote.rbc.ru/news/training/5e25ceaf9a79471671787078>.

Annex A.

Summary

Zhuzha L.M. International instruments of financial support of companies». Master-level Qualification Thesis. Sumy State University, Sumy, 2022.

The work examines content, forms and mechanisms of financial tools for supporting international business. The most common financial tools are reviled, all EU funds are studied, 11 investment strategies described. Stages and essentials of IPO process as well as examples are given.

Keywords: financial tools, investment funds, Initial Public Offering, international, transnational, international company, financial support.

АНОТАЦІЯ

Жужа Л. М. Міжнародні інструменти фінансової підтримки компаній. – магістерська кваліфікаційна робота. СумДУ, Суми, 2022.

У роботі досліджено зміст, форми та механізми фінансової підтримки міжнародного бізнесу. Показано найпоширеніші інструменти фінансової підтримки, вивчено всі фонди ЄС, описані 11 стратегій інвестування. Надано стадії на особливості процесу IPO а також приклади цього процесу.

Ключові слова: фінансові інструменти, інвестиційний фонд, Первинне публічне розміщення, міжнародний, транснаціональний, міжнародна компанія, фінансова підтримка.