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Characteristics of Efficiency Assessment in the Process of Investment Management in the Modernization of the Economy

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Abstract. The article describes the importance of investing in small business in the Republic, development features and alternative methods of evaluating efficiency.

Keywords. Investment, government programs, alternative scenarios, interest rate, investment period, average real deposit rate, inflation rate, premiums for risk, premiums for low liquidity.

Today, in our country, more attention is paid to the establishment of joint ventures with the participation of direct investments. The reason is that their level of efficiency is becoming more and more apparent. In the process of comparing the value of money during the investment period and its return, it is mainly accepted to use two concepts.

It is "the future value of money and its real value". The future value of money reflects the amount of funds currently invested, which will be converted after a certain period of time, taking into account the specified interest rate. Determining the future value of money is related to the process of growth of this value, that is, the gradual increase of the amount of interest (interest payments) to the initial amount of the deposited amount.

This amount is calculated according to the interest rate. In calculations related to investments, the rate is used not only as a tool for increasing monetary resources, but also as a measure of the level of profitability of investment operations.

We will consider the basic principles and methodological approaches that can be used in our republic and are used in foreign practice to assess the effectiveness of real investments.

One of these principles is the assessment of the return on invested capital based on the cash flow indicator formed by the sum of net profit and depreciation deductions during the operation of the investment project. The second principle of valuation is the mandatory inclusion of capital invested and cash flow sums at fair value.

At first glance, the funds to be invested can always be in the form of real value. Because they significantly advance payback periods in the form of cash flows. But in real practice it is not like that. Because the investment process in most cases is not implemented simultaneously, but goes through a number of stages (these stages are reflected in the investment project plan).

Therefore, the sums to be invested after the first stage should be brought to the real value (differentiated by each stage of investment). Selection of differentiated interest rates in the process of discounting cash flows for different investment projects is the third principle of valuation. The amount of income from investments is formed taking into account the following four factors:

- average real deposit rate;
- inflation rate;
- risk premiums;
- premiums for low liquidity.

It should be noted that when comparing two investment projects with different risk levels, different interest rates should be applied (the highest interest rate to the project with the highest risk level). In the same way, in case of investing in two different and different periods, the highest rate of interest should be applied to the project that will be implemented in the long term.

Variation of interest rate patterns used for discounting based on valuation objectives is the fourth principle of valuation. The following can be used to calculate various performance indicators of investments as the interest rate chosen for discounting:

- average deposit or loan rate;
- its rate of return, taking into account inflation, risk, investment liquidity level;
- alternative norms for other types of investment;
- rate of return on current economic activity and others.

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The quoted net income is based on investment results allows you to get a generalized description, that is, the final result in an absolute amount. The quoted net income means the difference between the actual value of the amount of cash flows during the operation of the investment project (through discounting) and the amount of funds invested for its implementation. The quoted net income indicator can be used as a comparative assessment of the effectiveness of investment projects, as well as as a reasonable criterion for the implementation of the project.

If the quoted net income figure is negative or zero, the project should be rejected. Because it does not provide an opportunity for the investor to earn a return on the invested capital. Investment projects with a positive net return provide an opportunity for the investor to increase his capital. But this indicator has its own drawback: the interest rate chosen for discounting is usually assumed to be constant for a period of time during which the investment project is operated.

At the same time, this rate may change due to changes in economic conditions in the future. However, despite this shortcoming, this indicator is recognized as the most reliable indicator of investment efficiency in foreign practice.

The payback period is one of the most common indicators of investment efficiency. The payback period of capital investments used in our practice is also based on the sum of the cash flow relative to the invested funds, quoted cash flows and fair value, rather than profit.

Set this period to 1 month for short-term deposits, and 1 year for long-term deposits. The payback period indicator is used not only to evaluate the efficiency of investments, but also to invest in terms of liquidity (the longer the period of the project until it is fully paid off, the higher the level of risks associated with the investment). can rarely be used to assess risk levels.

Each company, taking into account its level of investment risk, can determine the criterion indicator of the internal rate of return, which is used in the evaluation of projects. In this case, projects with a small internal rate of return do not meet the requirements of real investment efficiency. In the practice of evaluating investment projects, this indicator is called the marginal rate of internal rate of return.

All considered indicators are interrelated. Therefore, when evaluating the effectiveness of real investments, it is necessary to consider these indicators in a consolidated manner. The results of the evaluation of the effectiveness of real investment projects are used in the formation of the company's investment portfolio. In this case, it is necessary to be able to correctly assess the investment risk.

Foydalanilgan adabiyotlar ruyxati

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