



Article Title

FINANCIAL STABILITY AND INVESTMENT ATTRACTIVENESS OF THE HOTEL BUSINESS ENTERPRISES: THEORETICAL ASPECTS AND PRACTICAL ANALYSIS

Citation

Baranova, N. & Bogatyreva, L. (2017). FINANCIAL STABILITY AND INVESTMENT ATTRACTIVENESS OF THE HOTEL BUSINESS ENTERPRISES: THEORETICAL ASPECTS AND PRACTICAL ANALYSIS. *International Journal of Social Sciences*.

Abstract

The article discusses some methodological issues of evaluating financial stability and investment attractiveness of the hotel enterprises. The essence and the contents of the tasks dealing with the analysis of these categories, the known methods, the procedure of calculation of the indicators and their meaning are considered. The aim of this work is to analyze financial stability and investment attractiveness of the hotel business enterprises and to consider the theoretical aspects of this problem. For achieving this goal, methods of comparison and statistical methods were applied. The thesis has been formulated that for attracting financial resources an enterprise (organization) should have relatively stable values of a number of indicators, which confirm the sustainability of their development. The figures were calculated in dynamics from 2011 to 2015 basing on the hotel business reports data, with the help of the methodology of assessing financial stability and investment attractiveness of the company INEC.

Methods

This situation justifies the necessity to refer to another methodological problem: the assessment of financial stability of a company, as well as the assessment of the financial state as a whole, which can be carried out only basing on the results of the reports of the organization, which is formed in accordance with the laws and accounting regulations. Consequently, the assessment of financial stability is only valid for a specific date of the financial statements, and the owners and the management require periodic evaluation of this indicator to substantiate their decisions. The solution to this problem can be found in the organization of a specially formed evaluation of intermediary accounting data.

Results

There are some important points related to the source of information used in the analysis. Three random unrelated companies belonging to hospitality sector and located in different areas were chosen for the analysis. The data of the report on cash flows is not subject to analysis in this article, as it requires consideration of the investment areas of enterprises, and the aim of this work is to determine the stability and investment attractiveness of the enterprises.

Conclusion

The results of the research can be formulated in the following statements. There are different approaches to the analysis of both financial stability and investment attractiveness. The specificity of analysis of financial stability and investment attractiveness should be determined by the sphere of business, what is proved by the calculations carried out in the research. The calculations show that the characteristic feature of the hotel business is the availability of proper assets, the main source of assets, the value of which can be quite substantial because only in this case a significant supply of financial strength, stability and investment attractiveness is provided.