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Academic discipline
«INTERNATIONAL INVESTMENT ACTIVITY»



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FORMATION OF GENERAL COMPETENCIES AS A RESULT OF STUDENTS' STUDY OF THE ACADEMIC DISCIPLINE



GC 1. Ability to abstract thinking, analysis, synthesis.

GC 2. Ability to apply knowledge in practical situations.

GC 3. Knowledge and understanding of the subject area and understanding of professional activity.

GC 4. Ability to communicate in the state language both orally and in writing.

GC 5. Ability to learn and master modern knowledge.

GC 6. Ability to work in an international context.

FORMATION OF PROFESSIONAL COMPETENCIES AS A RESULT OF STUDENTS' STUDY OF THE ACADEMIC DISCIPLINE



PC 1. Ability to analyze the results of the organization's activity, to compare them with the factors of external and internal environment.

PC 2. The ability to act socially responsibly and consciously.

PC 3. Ability to choose and use modern management tools.

PC 4. Ability to work in a team and establish interpersonal interaction in solving professional tasks.

PC 5. Ability to evaluate the performed work, to ensure their quality and to motivate the staff of the organization.

PC 6. Ability to analyze and structure the problems of the organization, to form justified decisions.

PC 7. Understand the principles and norms of law and use them in professional activities.

LEARNING OUTCOMES



To know:

- the essence of international investment activity, its place and role in international business;
- types and forms, subjects and objects of international investment activity;
- regulation of international investment activity;
- conditions and factors of functioning of the international investment market;
- essence and methods of management of international investment activity;
- methods for assessing the effectiveness of international investment;
- practice of international investment activity in Ukraine;
- main directions of international investment activity of aviation enterprises.

To be able to:

- analyze the factors influencing international investment activity;
- study the methods of regulating international investment activity in a particular country, region;
- analyze the structure and factors of development of the international investment market;
- determine the strategic priorities of international investment activity of enterprises.

To have practical skills to:

- independently determine the main directions of development of international investment activity;
- apply modern methods and tools for managing international investment activity of enterprises.

METHODS OF REGULATING INTERNATIONAL INVESTMENT ACTIVITY



METHODS	WAY OF IMPLEMENTATION
Legal	implemented through a system of civil and procedural law
Administrative	legally determine economic subjectivity, regulate property issues, regulate dispute resolution procedures in court, etc.
Economic	implemented through a system of grants, loans, implementation of fiscal policy
Socio-psychological	focused on the formation and development of a particular ideology, education of the appropriate type of mentality of citizens and society as a whole by means of organizationally designed institutions

SYSTEM OF INVESTMENT BENEFITS AND RESTRICTIONS FOR FOREIGN INVESTORS



- ✓ factor benefits (subsidies to enterprises, guaranteed and preferential loans, tax exemptions, partial tax refunds, acceleration of depreciation);
- ✓ commodity benefits (tariff and non-tariff import barriers);
- ✓ special restrictive and control measures on the activities of foreign investors.

THE SYSTEM OF GUARANTEES OF OBSERVANCE OF THE FOREIGN INVESTOR'S RIGHTS



- ✓ guarantees of inclusion of the foreign investor's rights in the national legal system;
- ✓ guarantees of observance of investment privileges and stability of the legislation during the investment cycle;
- ✓ guarantees against confiscation measures.

INVESTMENT ISSUES REGULATED IN INTERNATIONAL BILATERAL AND MULTILATERAL AGREEMENTS



- ✓ identification of investments and investors;
- ✓ conditions of import of foreign direct investment;
- ✓ investment promotion;
- ✓ general rules of the regime (*fair, non-discriminatory, preferential or national regimes*);
- ✓ transfer of payments;
- ✓ requirements for business results (*providing a guarantee on the impossibility of confiscation or nationalization of property belonging to foreign investors, or a guarantee on compensation of their property in case of its nationalization*);
- ✓ deprivation of property rights of the investor;
- ✓ dispute resolution;
- ✓ norms of behavior of corporations (*the question of the formation of general principles and norms which should be followed by foreign entrepreneurs in the host country*).

CLASSIFICATION OF SECURITIES BY CHARACTERISTICS



- ✓ **economic nature** (property relations – share; credit relations – bond, promissory note);
- ✓ **type of rights that implemented** (monetary claims – bond, promissory note; property rights – share, mortgage, bill of lading);
- ✓ **economic status** (stock and commercial);
- ✓ **material form** (detached documents, records on accounts);
- ✓ **ownership** (state and non-state);
- ✓ **national affiliation** (national, foreign, international);
- ✓ **features of issue and circulation** (by target orientation, turnover, profitability, transfer of property rights, priority of claims satisfaction, the order of observance of the maturity date, etc.).
- ✓ **Securities** — it is a document certifying the property right or the relationship of the loan of the document owner to the person who issued such document. Most securities must undergo a special registration procedure. It provides investors with reliable and relevant information about securities that are openly offered, which allows investors to accurately assess the quality of their investment.



MAIN TYPES OF INVESTMENT SECURITIES

Investment securities									
Shares		Debt (bonds)		Certificates		Derivatives			
Registered (Nominative)	Bearer	Internal government loans		Global		Warrant			
		External government loans				Depository receipt			
		Local loans (municipal)		Fixed-term		Subscription rights to shares			
		Enterprises							
Opened	Closed	Free circulation	Limited circulation	Fixed-term	Bearer		Contracts	Options	
		Serial	Ordinary	Investment		Forward	Futures	Call	Put
Common		Short-term		Documented	Undocumented		Combinational		
Privileged		Medium-term		Compensatory		Straddle		Strangle	
Cumulative		Long-term				Strap		Strip	
Convertible		Indefinite				Spread			

KEY INVESTMENT CHARACTERISTICS OF STOCKS AND BONDS



Investment characteristics	Stock	Bond
Relationship between the owner and the issuer	Property relations	Debt obligations
Participation in management	Yes	No
Form of income	Dividends	Interests
Source of payments	Net profit	Issuer's costs
Order of payments	After taxation	Before taxation
Nature of the payments	Not fixed, without predetermined deadlines	Fixed, with predetermined deadlines
Display in balance	Equity capital	Liabilities

PRINCIPLES OF STRATEGY DEVELOPMENT



- ✓ **Economic efficiency** (the costs of strategy implementation and control should be less than the profits from it).
- ✓ **Correlation with general strategies** (investment strategy can not contradict the overall strategy of the company).
- ✓ **Complexity** (all elements of the strategy should be classified and compiled in accordance with the business plan of the strategy).

CONDITIONS OF STRATEGIES APPLICATION



- ✓ **Offensive strategy** involves the development and implementation of radical innovations and risky investment projects that can provide a significant competitive advantage.
- ✓ **Defensive strategy** involves participation in low-risk investment projects.
- ✓ **Traditional strategy** is applied by companies with a strong competitive position in the market and well-known brand with unique rights to sell some innovative products.
- ✓ **Independent strategy** is used by subsidiaries and affiliates.
- ✓ **Simulation strategy** is used by companies that slightly improve their products and services that are not innovative (pseudo-innovation).
- ✓ **Opportunistic strategy** is used by companies that are little known, but they have a lot of cash or money in bank accounts and focus on quick profits.

RISK REDUCTION METHODS



Mathematical method gives the ratio and possible trend of the expected results. The investor must compare the expected results with the trend chart.

$$R = \sum P_i \times L_i;$$

P_i - the probability of a negative result (measured from 0 to 1)

L_i - estimated amount of possible losses (UAH).

Rubric - it is the conclusion of contracts and agreements with suppliers or consumers with fixed prices and profits.

Provision - some unexpected results.

Cost limitation of investment projects, all developed and some recommended rules and limits on the use of resources in the country.

Diversification - it is a method of making a variety of investments in different sectors of the economy. The investment portfolio should include securities of different issuing companies with different levels of risk.

**Thank you for
attention!**

