

Financial policy for an insolvent company

Elakova A.

Kazan Federal University, 420008, Kremlevskaya 18, Kazan, Russia

Abstract

The article is devoted to the up-to-date issue of insolvency and possible bankruptcy of an enterprise. Insolvency of the enterprise can be considered from two perspectives: insolvency by formal criteria established by the legislation; insolvency defined as the assumed inability to fulfill its obligations in due time. In the first case, the possibility of active management of the enterprise to influence the situation is severely limited. In the second situation, this enterprise is in a position of pre-bankruptcy, when no one of the creditors has filed a claim in an arbitration court on the matured obligations due for payment. The main goal of the company on the verge of bankruptcy is to ensure financial stability and balanced budget cash flow. The author of the article shows a practical example of how a manufacturing enterprise on the verge of bankruptcy can ensure financial stability and deficit-free cash.

Keywords

Cash turnover, Insolvency, Pre-bankruptcy, Product life cycle