

# Hedging as an important component of the financial mechanism of enterprise management in the automotive cycles

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## Abstract

© 2015, Mediterranean Center of Social and Educational Research. All rights reserved. The Russian automotive industry is facing increasing competition from world leading manufacturers. In these circumstances, it becomes important to achieve optimum prices without affecting the properties of produced consumer vehicles. A possible way to optimize - hedging through the purchase of exchange and OTC derivatives. Practice shows that the leading automotive corporations make extensive use of derivative financial instruments to hedge the cost of optimizing the currency and commodity contracts, interest payments. This practice can be applied to the Russian automobile enterprises in this paper, we consider the practical aspects of risk hedging.

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## Keywords

Automotive industry, Budgeting, Cyclic, Derivatives, Financial derivatives, Hedging, Hedging system, The industry for the production of vehicles