

СЕКЦІЯ 3. РОЗВИТОК ФІНАНСОВОГО РИНКУ В УМОВАХ ЦИФРОВІЗАЦІЇ ЕКОНОМІКИ

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PRINCIPAL ASPECTS OF EVALUATING THE EFFICIENCY OF THE FUNCTIONING OF THE FINANCIAL MARKET

Introduction. The development of the financial market is of fundamental importance for the creation of a real market economy, the optimization of structural transformations and the formation of a basis for the development of domestic investment. At the same time, the financial market is dependent on changes in the global market situation, is sensitive to crisis phenomena in the economy and sometimes is their catalyst, creates the greatest threats to the excessive increase of the virtual economy and the appearance of financial «bubbles».

The purpose of the work. To determine the principled approaches to improving the assessment of the efficiency of the functioning of the financial market.

Main part. The state policy of regulating the financial market of Ukraine as a component of the state management system requires new effective mechanisms for the functioning and development of the financial market. The lack of an effective system of regulating the stock market, the slow implementation of structural and financial reforms, as well as the modernization of financial market technologies in the conditions of the growth of the national economy lead to the leveling of the role of financial markets as a significant factor in economic growth, inefficient use of the financial potential of the domestic market and its resources.

In recent years, the financial market has been developing under the influence of interconnected and mutually determined factors that have determined the systemic characteristics of modern financial instruments. These factors can be conditionally divided into two groups:

– *external to economic entities (environmental) factors* such as globalization of financial markets; increased price volatility; tax asymmetry; changes in legislative regulation in the field of finance; achievements in the field of scientific and technical progress and information technologies; intensifying competition; strengthening integration processes; phase of the economic cycle;

– *internal factors* – increasing the need for liquidity and mobility of assets; increasing need for effective risk management; aggravation of agency problems; reaching efficiency limits by companies and industries – over which these entities have at least partial control.

There is a whole series of determinants restraining the development of the financial market: the current lack of compensation schemes for the protection of the rights of financial market investors; the underdevelopment of certain financial market instruments inherent in developed economies, in particular, derivative securities; insignificant level of activity of natural persons in the market, low level of awareness of the population regarding the possibilities of the financial market; lack of reliable financial instruments for investment; a small number of companies with a high level of investment opportunities; insufficient level of personnel and scientific support for evaluating the efficiency of the financial market; high level of market volatility and its dependence on external challenges.

The efficiency of the financial market is an important component of economic policy. Social and economic development of the country, the stability of the economic system to financial shocks and imbalances, as well as the integrity of the country's financial system are only possible if it is at a high level.

Being a component of general economic stability and financial stability, the efficiency of the financial market reaches an optimal level with the help of state regulation and the implementation of financial policy. A timely assessment of the financial market's efficiency is necessary for making relevant decisions on increasing the level of financial market efficiency.

Most often, in scientific sources, the efficiency of the financial market is associated with its informational function.

Market participants have the amount of information provided by their capabilities and competencies: from publicly available data to unique information. Depending on the quality of the information possessed by the market player, three types of financial market efficiency are distinguished: weak, medium (semi-strong) and strong. Market inefficiency is caused by information asymmetry, resulting from limited access to certain information. The result of information asymmetry is uncertainty in the financial market.

The effectiveness of the financial market takes place in compliance with the following postulates:

- 1) availability and free access to information;
- 2) absence of transaction costs, taxes;
- 3) lack of correlation between transactions and the level of prices for financial instruments;
- 4) the rationality of the behavior of market players, trying to maximize the expected benefit [1].

The results of the conducted research allow us to conclude that the implementation of the concept of improving the assessment of the effectiveness of the functioning of the financial market is based on the following basic principles.

1. The principle of homeostaticity (invariance) means the ability of the financial market to maintain its qualities regardless of changes in the external environment. External factors exert a certain influence on the country's financial market, but they do not change its fundamental (basic) structure.

2. The principle of hierarchy is that the financial market is multi-level, between the levels and elements of which there are complex vertical and horizontal connections.

3. The principle of subordination follows from the principle of hierarchy and is realized when a change in order parameters synchronously directs the behavior of elements of a lower level.

4. The principle of organizational efficiency provides for the development of the financial market in the presence of appropriate organizational support, which will ensure the leveling of the conflict of interests of various market subjects.

5. The principle of non-linearity assumes that the sum of influences on the financial market is not equal to the sum of the results of these influences.

6. The principle of maximum delay reveals the temporal limit of the evolution of the financial market and states that the financial market makes a transition to a qualitatively new state only in the absence of another choice.

7. The principle of functional certainty in the conditions of the need for continuous development of the financial market means the need to form and distribute a set of certain management functions between state institutions and market subjects.

8. The principle of harmonization presupposes, on the one hand, the preservation of the levers of state control over processes in the financial market, and on the other hand, the application of market mechanisms of economic regulation.

9. The principle of transparency provides for the maximum openness of information for market participants regarding trading in certain financial instruments.

10. The principle of scientific validity provides for the need for an objectively determined choice to assess the effectiveness of the financial market or its component functioning of the financial market of instruments.

Conclusions. Certain scientific approaches, theories and principles can be adapted to certain transformations of the financial market and form a methodology for evaluating the efficiency of the financial market.

The definition of the categorical apparatus and the study of the theoretical foundations of an efficient financial market allow us to justify the methodical and instrumental component of the concept of improving the assessment of the effectiveness of the functioning of the financial market. It is the method of implementation of conceptual provisions in the field of functioning of the financial market that determines its effectiveness.

REFERENCES

1. Market Efficiency. Market Efficiency – Definition, Examples, Theory and Forms. URL: wallstreetmojo.com