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## **MODELLING AN EFFECTIVE FINANCIAL STRATEGY FOR TNC**

The dominant trend in the development of the modern world economy is globalisation, the multidimensionality which is characterised by an increase in the scale of international movement of goods and services, factors of production production factors, innovation, technology and information flows of resources. Economic globalisation is the international economy's access to a higher level of development of systemic internationalisation and integration of the world economy.

Another feature of globalisation is transnationalisation, which is the most significant element that ensures the unity of the global economy. In the process of its development, the following institutional formation has emerged institutional formation such as transnational corporations (TNCs). They, along with transnational banks and the largest logistics intermediaries are the creators and and conductors of commodity, financial, information and other resource flows, which contributes to the growth of the scale and volume of international financial and credit operations, increase number of subjects of currency and financial relations and, in general, determine the development of the world economy.

The company's financial strategy covers all aspects of the company's operations, including optimisation of fixed and working capital, profit distribution, cashless payments, tax and pricing policy, securities policy, etc.

A TNC's financial strategy is a generalised functional model of actions required to to achieve the goals by coordinating and allocating financial resources of an integrated structure that combines, on the basis of scientific, technical, industrial and commercial cooperation, enterprises operating in two enterprises operating in two or more countries of the world and pursuing a single policy and common strategy through one or more decision-making centres. The specificity of TNCs' activities is the creation and expansion of foreign and subsidiary enterprises and establishing control over their activities. Investments abroad become possible if:

Individual capitals, in the process of concentration and centralisation, reach such

a scale that they can take the risk and incur the start-up costs associated with establishing new production units abroad.

This includes specific monopoly financing opportunities, opportunities arising from the intertwining of productive and banking capital, laws and regulations in the the exporting country and the importing country that encourage investment abroad;

The financial strategy, whose main objective is to achieve full self-sufficiency and independence of the companies, is based on certain organisational principles and includes the following:

- current and prospective financial planning, which determines all receipts of and the main directions of their expenditure;
- centralisation of financial resources, which ensures manoeuvrability of financial resources, their concentration on the main areas of production and economic activity;
- formation of financial reserves that ensure the company's stable operation in the face of possible fluctuations in market conditions;
- unconditional fulfilment of financial obligations to partners;
- development of the company's accounting, financial and depreciation policies;
- organizing and maintaining financial accounting of the MNC and business segments based on the applicable standards;
- Preparation of financial statements for the company and its business segments in accordance with applicable rules and regulations in compliance with the requirements of the standards;
- financial analysis of the company and its segments (priority business and geographical segments, other segments within the segments, other segments within unallocated items);
- financial control of the company and all its segments

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