

## **PRACTICES ON “INVESTMENT AND INNOVATIVE MANAGEMENT”**

**1. Theme of the lesson: Theoretical and methodological principles of investment management .**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the theoretical and methodological principles of investment management.

2.1 After completing the work the student must know:

1. The economic essence of investments and the criteria for their classification.
2. The essence of investment activity and the mechanism of its implementation.
3. Development of investment theories.
4. The concept of an investment market and its conditions.
5. State regulation of investment activity (necessity, purpose, form).

Be able to: highlight the economic essence of investments and the criteria for their classification; characterize the essence of investment activity and the mechanism of its implementation; from following the evolution of investment theories; to open the concept of the investment market and its conditions; study the legal regulation of investment activity.

3. Brief information on the theoretical part of the work

**Investment Management** (English management - management) - a set of methods, techniques, methods and principles of investment process management, the movement of investment resources in order to generate income in the future.

The content of investment management is to organize competent work with investments, aimed at preserving and increasing the capital of the enterprise, its development in conditions of uncertainty and risk.

Investment management covers the management of the company's capital, its assets, liquidity based on effective investments, investment planning systems, business projects, portfolio investment scenarios, risk minimization.

Management activities associated with the investment process can be carried out at levels of state, territory, region, industry, enterprises. This causes the management of investment activities on a state scale and within individual economic entities. At the same time, management at all levels is based on a single methodological basis for assessing the effectiveness of using limited resources.

Investment management is based on the following principles:

- Integration with the general system of management of investment activity;
- Integrity and systematic in the formation of managerial decisions;
- Dynamic management;
- variability of approaches to the development of some managerial decisions;
- orientation and consistency with the strategic goals of enterprise development.

The essence of investment management is manifested in the functions performed by it. Given its complex content, distinguish two main groups of functions: **functions of the subject of management** and **special functions**.

Functions of investment management as a subject of management. Their composition is generally characteristic of any subsystem of management. These include organization, analysis, planning, motivation, and control.

Function of the organization provides for the structuring of the object of management, the definition of the rights and obligations of the relevant units.

Analysis function is to study the activity and effectiveness of the investment activity of the enterprise in order to identify the reserves for their growth.

Planning function provides for the definition of goals and the choice of ways to achieve them, taking into account the limited resources.

The motivation function is an activity aimed at realization of the set goals. With its help, the factors that influence the behavior of people and take into account their needs are in effect.

Control function is to determine in a timely manner how real processes in the investment activity of the enterprise deviate from the planned parameters, identify the causes of such deviations and react promptly to their detection.

Special functions of investment management. They characterize the specifics of investment management as a special type of management activity. These include the development of an investment strategy, management of real investments, a portfolio of real investment projects, financial investments, a portfolio of securities, the formation of investment resources, investment risks, return on investment, liquidity of investments.

Functions of investment management are realized in certain directions. The main ones are:

- research of the external investment environment;
- forecasting of investment market conditions;
- development of strategic directions of investment activity and strategy of formation of investment resources of the enterprise;
- search and evaluation of investment attractiveness of individual real investment projects, selection of the most effective ones;
- assessment of investment qualities of financial instruments, selection of the most effective ones, formation of an investment program (portfolio);
- current management of the investment portfolio and realization of real investment projects and programs;
- development of proposals for the restructuring of investment portfolios (programs).

4. Methodical recommendations for implementation and execution (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.)).

Tests

1. Investments are:

- a) all types of property values;

- b) all kinds of intellectual property;
- c) a program document;
- d) the right to use land.

2. Investments are divided into:

- a) real;
- b) direct;
- c) financial;
- d) indirect.

3. Investment activity can be carried out in the form of:

- a) investment by legal entities;
- b) investing by individuals;
- c) state investment;
- d) foreign investment;
- e) joint investment by citizens and legal entities of Ukraine and foreign countries;
- e) investing in other people.

4. Investments in economic essence are divided into:

- a) gross;
- b) total;
- c) clean.

5. Short-term investments include:

- a) for a period of up to 6 months;
- b) for a period up to one year;
- c) with a payback period of up to one year;
- d) for a period up to five years.

6. The net investment is:

- a) the amount of gross investment and depreciation;
- b) the difference between gross investment and depreciation;
- c) difference in gross investment and net profit.

7. If the net investment of the enterprise is greater than zero, this means:

- a) the company has an expanded reproduction of its assets;
- b) financing of investments is carried out by the method of self-lending;
- c) the net present value is a positive value;
- d) there is no correct answer.

8. Direct investments of the enterprise provide:

- a) direct participation in the selection of investment objects;
- b) investing capital in cash;
- c) acquisition of controlling block of shares;
- d) investing in a parent company.

9. If the net investment of the enterprise is less than zero, this means:

- a) the company has an expanded reproduction of its assets;
- b) financing of investments takes place at the expense of credit funds;
- c) the production potential of the enterprise is reduced;
- d) there is no correct answer.

10. The nature of economic development at one stage or another (indicate conformity) is as follows:

- a) the economy is under development; 1) the amount of net investment (CHI)  $CHI < 0$ ;
- b) reduction of production potential and reduction of production in the state; 2) the sum of the  $TI = 0$ ;
- c) there is no economic growth, the production potential is unchanged. 3) the amount of  $TI > 0$ .



- 9) common;
- 10) foreign;
- 11) investments in the  
middle of the state;
- 12) investments abroad.

15. Identify some forms of legal regulation of investment activity in Ukraine:

- a) management of investment objects;
- b) regulation of the sphere of investment objects;
- c) tax regulation;
- d) collection of taxes;
- e) provision of financial assistance;
- e) carrying out of the corresponding credit policy;
- i) holding depreciation deductions;
- g) regulation of investment activity by carrying out the appropriate depreciation policy;
- c) regulation of financial investments;
- i) examination of the investment project;
- i) protection of investments;
- d) regulation of investment conditions outside the state.

16. Indicate compliance:

- a) the legal entity that undertakes function of full realization of the invested capital; 1) the developer;
- b) legal entity - intermediary real estate sales; 2) firm-realtor;
- c) a legal entity that develops a different one documentation (informational, scientific and technical, etc.).

3) engineer-consulting firm.

17. The financial and credit system of the state is:

- a) the NBU;
- b) commercial banks;
- c) specialized banks;
- d) investment funds;
- e) investment companies;
- e) insurance companies;
- e) leasing companies;
- g) banking consortia.

18. Indicate the main subjects of investment activity:

- a) an individual;
- b) the state;
- c) business associations;
- d) association;
- e) functional participants in the investment process;
- e) participants in the investment process;
- is) financial and credit institutions.

19. Discounting is:

- a) determining the present value of future income;
- b) determination of future value of money;
- c) taking into account the inflation factor;
- d) determining the value of annuity.

5. The question is for the control of preliminary studies, discussions, independent study and comprehension of the educational material



***Problematic issue:***

What macroeconomic factors have the greatest impact on investment activity in Ukraine?

6. Recommended literature

1. Law of Ukraine "On Investment Activity" of September 18, 1991
2. Blank IA Investment Management. - K .: "ITAM" LTD. "United London Trade Limited", 1995.447 p.
3. Vovchak O. D. Investing: teaching. manual / O. D. Lovchak. - Lviv: New World-2000, 2008. - 543 p. - Terminol. words: with. 520-536.
4. Duka AP The theory and practice of investment activity. Investing: Tutorial. - K.: Caravela, 2012. - 432 pp.
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8. Sazonets I. L., Fedorova V. A. Investing: International Aspect: Textbook. - K .: Center for Educational Literature, 2007. - 272 p.
9. Titarenko N. O., Poruchnik A. M. Theory of Investments: Teaching. manual - K .: KNEU, 2000.- 160 p.
10. Shchukin B. M. Investing: Course of lectures. - K .: MAUP, 2004. - 216 pp.

## **2. Theme of the practice: Essence and main theoretical aspects of innovation management**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the issues of essence and the main theoretical aspects of innovation management...

2.1 After completing the work the student must know:

1. The economic essence of innovation and innovation process.
2. Criteria for assessing innovation projects of enterprises. Financial support for innovation activities.
3. Characteristics of foreign investment. Main directions of international investment activity.
4. Investments in free economic zones.
5. State policy on attraction of foreign investments. The state of foreign investment in the economy of Ukraine.

Be able to: disclose and characterize the economic essence of innovation and innovation process; provide criteria for evaluating innovative projects of enterprises; give a description of foreign investment and the main directions of international investment activity; characterize investments in free economic zones; to disclose the state's policy of attracting foreign investment.

3 Brief information on the theoretical part of the work

The main object of investment management is investment.

**Investments** - various types of assets that invest in business objects, different programs and individual projects for profit, achievement of certain social or environmental protection results.

The economic nature of investment is determined by the laws of the process of expanded reproduction and consists in the use of a part of an additional social product to increase the quantity and quality of all elements of the system of productive forces of society. There is an investment source a fund of accumulation, or a part of the national income saved and aimed at increasing and

developing factors of production, as well as the reimbursement fund used to repair depreciated means of production in the form of depreciation deductions.

Investments, ensuring the dynamic development of enterprises, allow to solve such tasks as expansion of own business activity by accumulation of financial and material resources; acquisition of new enterprises; diversification through the development of new business spheres.

The need for enterprises in investments arises in certain situations. The most common ones include: creation of a new enterprise; expansion of production; renovation of worn out and outdated equipment; promotion of goods to the market in order to increase the number of sales, and, therefore, commercial profit from a larger volume of activity.

Classification of investments:

By spheres of attachment distinguish:

- production investments (investments in productive resources: fixed assets and labor);
- financial investments (investing in securities, etc.);
- Investment investments (investing in intellectual property objects).

For purposes of application, investments are divided into:

- Primary investments, or net investments made when creating or purchasing an enterprise;
  - expansion investments (extensive), which aim to expand production capacity;
  - reinvestment, that is, the use of free income received as a result of the investment project implementation;
  - replacement investments resulting in replacement of existing equipment with new ones;
  - rationalization investments aimed at modernizing technological equipment
  - investments to change the program of production;
  - diversification investments related to the change in the product range;

- investments in ensuring the survival of the enterprise in the future, leading to R & D;

- gross investments, which include net investment and reinvestment;

- risk investments, or venture capital, - equity investments in companies operating in new areas of high risk business.

By the nature of participation in investing, distinguish:

- direct investments, which mean the direct involvement of an investor in investing in his chosen object;

- Indirect investments are related to investment, which is mediated by investment or other intermediaries.

In form of ownership, investments are divided into:

- private investment (investing by individuals or non-state enterprises);

- state investments (investments by central or local authorities at the expense of the budget, extrabudgetary funds and borrowed funds and investments of state enterprises);

- foreign investments (investments of foreign citizens, legal entities and the state);

- joint investments (investments of residents and non-residents).

Objects of investment are distinguished by:

- real investments (investing money in real tangible and intangible assets);

- portfolio investments (investing in various financial instruments)

The investment area can be:

- domestic investments (investing in investment objects located within a certain territory (country));

- external investments (investing in investment objects abroad).

By way of accounting of invested funds are distinguished:

-Valious investments (total investment in new construction, acquisition of funds and objects, increase in inventory and intellectual property);

-Financial investment (total amount of gross investment minus amortization deductions).

4. Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.))

Tests:

1. An antispyative interest rate is:

a) expression of the interest rate as a ratio of the amount of income to the magnitude of the increased amount;

b) expressed as a percentage of the amount accrued for a certain time interval of income to the original amount;

c) accrual of interest, using the formulas of the factorial;

d) accrual of interest taking into account exchange rate fluctuations of the national currency.

2. How much percentage of the prices for the period under review shows:

a) inflation index;

b) the level of inflation;

c) the factor of inflation;

r) all variants are incorrect.

3. The nominal yield of an investment transaction comprises:

a) real yield;

b) real yield and inflation component;

c) the level of inflation;

d) the discount rate.

4. Real yield reflects:

a) the percentage of prices for the period considered;

b) net efficiency of the investment transaction;

- c) how many times the prices for the period considered have increased;
- d) annual interest rate on a loan.

5. The real yield in relation to the nominal yield of an investment transaction is always:

- a) less than it;
- b) more of it;
- c) equals to it;
- d) can be both larger and smaller.

6. The composition of the investment market is as follows:

- a) market of real investment objects;
- b) market of intellectual property objects;
- c) market of financial investment instruments;
- d) stock market of securities;
- e) direct investment.

7. Identify objects of the real investment market:

- a) money market;
- b) real estate market;
- c) the securities market;
- d) the market of objects of the evangelistic.

8. Identify market instruments for financial investment:

- a) money market;
- b) real estate market;
- c) the securities market;
- d) the market of objects of the evangelistic;
- e) the market of privatized objects.

9. Identify the objects of the money market:

- a) freely convertible currency;
- b) real estate;
- c) securities;
- d) deposit deposits;
- e) privatized objects.

10. For the investment market, the following stages are characterized:

- a) improvement of the market conditions;
- b) conjuncture boom;
- c) weakening of the situation;
- d) market decline;
- e) conjuncture comfort.

11. What stages combines the study of investment market conditions:

- a) current observations;
- b) occasional observations;
- c) analysis of the current situation;
- d) identification of current trends in market development;
- e) forecasting of investment market conditions;
- e) the formation of an investment portfolio.

12. Identify the elements that characterize the state of investment market conjuncture:

- a) offer;
- b) demand;
- c) the price;
- d) competition;
- e) all answers are correct.

13. Indicate the stage of studying the investment market for the development of an investment strategy and the formation of an investment portfolio:

- a) evaluation and forecasting of macroeconomic indicators of the investment market;
- b) assessment and forecasting of the attractiveness of the branches of the economy;
- c) assessment and forecasting of the attractiveness of the region;
- d) evaluation and forecasting of the attractiveness of the enterprise.

14. Investments in the enterprise are sent to:

- a) development of production;
- b) development of the non-productive sphere;
- c) expansion of production;
- d) new construction;
- e) acquisition of securities;
- e) investments in assets of other enterprises;
- g) purchase of bonds;
- g) investment in the assets of enterprises-manufacturers.

15. The structure of investments determines:

- a) composition of investments by type;
- b) the composition of investments in the areas of use;
- c) the share of investments by types and directions in their total volume.

16. Types of capital investment structures:

- a) technological;
- b) technical;
- c) reproductive;



- d) industry;
- e) city;
- e) territorial.

17. Specify the correspondence of types of structures.

- a) technical re-equipment; 1) technological;
- b) expansion; 2) reproductive;
- c) new construction; 3) technical.
- d) modernization;
- e) reconstruction;
- e) construction and installation work;
- e) the purchase of machinery equipment and their installation.

18. Income from equity participation is the income received from investments:

- a) associates;
- b) subsidiaries;
- c) to joint enterprises;
- d) associates and subsidiaries;
- e) subsidiaries and joint ventures;
- (e) Associated, subsidiary and joint ventures

19. The main stages of the selection of an enterprise for investing:

- a) preliminary assessment and selection of enterprises;
- b) assessment of the financial situation and selection of enterprises;
- c) assessment of the prospects of development and selection of enterprises;
- d) evaluation of the production-technological and human resources potential of enterprises;
- e) the final choice of the investment object.

20. The legal base of investment activity (ID) in Ukraine declares the equal rights of all entities regardless of ownership and management:

- a) implement the ID;
- b) independently determine the purpose, directions, types and volumes of investment;
- c) to encourage any participants of the ID on a contractual basis;
- d) own investment objects;
- e) to manage financial results of investment activity;
- e) use the objects and financial results of investment activity.

21. State influence on investment activity (specify conformity):

- a) straightforward; 1) the state sector of the economy;
- b) indirectly; 2) state institutions;
  - 3) executive bodies;
  - 4) NBU;
  - 5) State Property Fund;
  - 6) State Innovation Fund.

22. Indicate the forms of indirect influence of the state on investment activity, based on world experience:

- a) tax regulation;
- b) depreciation policy;
- c) state lending and loans;
- d) private lending and loans;
- e) privatization;
- e) nationalization;
- is) regulation of financial investments;
- g) state leasing;
- h) securing investment protection;

- i) Licensing;
- i) quotation;
- (d) Antitrust measures;
- k) standardization;
- l) others.

23. A legal entity, institution in the form of a joint-stock company, the exclusive activity of which is a joint investment:

- a) investment company;
- b) an investment fund?

24. A securities trader, who, besides other types of business, may use means for joint investment through the issue of securities and their placement:

- a) investment company;
- b) an investment fund.

25. Investment attractiveness of regions of Ukraine is estimated on the basis of differentiation according to the generalized indicators:

- a) the level of general economic development;
- b) the level of development of the investment infrastructure of the region;
- c) the level of development of the investment infrastructure of the industry;
- d) demographic characteristics of the region;
- e) demographic characteristics of the industry;
- e) the level of development of market relations and commercial infrastructure of the region;
- r) level of criminogenic, economic and other risks.

26. The priority investment attractiveness sectors in Ukraine include:

- a) electric power;
- b) chemical industry;
- c) production of genuine leather;
- d) coal industry;
- e) Sugar industry;
- g) the oil-extracting industry.

27. The industries with low investment attractiveness in Ukraine include:

- a) electric power;
- b) chemical industry;
- c) production of genuine leather;
- d) coal industry;
- e) Sugar industry.

28. Identify the types of real investments:

- a) restoration made at the expense of the fund of compensation of the enterprise;
- b) expansion (net investment), carried out at the expense of part of national income;
- c) expansions made at the expense of the accumulation fund;
- r) gross investments.

29. Real investments can be characterized by the following indicators:

- a) volume of investments;
- b) the rate of investment;
- c) value of the invested capital;
- d) coefficient of growth of capital intensity;
- e) accumulation;

e) use of part of national income for extended reproduction.

30. Specify the main direction of capital investments usage:

a) implementation of social programs;

b) the proportionality of the allocation of productive forces;

c) harmonious development of the branches of the national economy;

d) acceleration of the development of NTP and basic sectors of the national economy;

e) Implementation of development programs for the fuel and energy complex;

e) realization of housing programs, rehabilitation of public utilities;

is) the implementation of the most important constructions.

31. By sources of financing, investments are divided into:

a) decentralized;

b) basic;

c) budget;

d) centralized.

32. Forms of real investment:

a) the acquisition of integral property complexes;

b) new construction;

c) reconstruction;

d) modernization;

e) restoration of certain types of equipment;

e) Innovative investment.

33. Distinguish investment projects of the enterprise by signs (indicate conformity):

a) provide an increase in the volume of production; 1) for investment purposes;

b) provide expansion of assortment; 2) by the terms of implementation;

c) provide quality improvement; 3) by the level of autonomy

d) provide a reduction in the cost price; realization;

e) independent of the implementation of other projects; 4) in accordance with the prescribed scheme

e) Depending on the implementation of other projects; my funding

e) short-term investment projects;

g) medium-term investment projects;

h) long-term investment projects;

i) from external sources;

i) from internal sources;

i) from their own sources;

k) from the sources involved;

l) from borrowed (loan) sources.

34. Identify the most significant risks of implementing investment (IP) projects (five):

a) the risk of a significant delay in the implementation of IP;

b) the risk of untimely completion of construction and installation works of the IP;

c) the risk of a significant excess of the calculated estimated cost of the IP;

d) the risk of a fire;

e) the risk of unexpected events;

e) the risk of non-exit to the planned indicators of foreign economic activity;

There is a risk of lowering the planned level of efficiency of expediency and increasing the payback period of investments.

35. Indicate sources of financing of investment projects:

- a) budget allocations on an irreversible basis;
- b) budget allocations on a reverse basis;
- c) government loans;
- d) long-term loans of the NBU;
- e) state-commercial financing;
- e) mixed funding;
- e) issue and placement of government securities;
- g) foreign investments;
- c) foreign loans.

36. Identify sources of cash inflows in the investment area:

- a) own financial resources of the investor;
- b) profit;
- c) depreciation deductions;
- d) money accumulation;
- e) savings of citizens;
- e) borrowed funds;
- yes) bonds;
- g) bank loans;
- h) budget loans;
- 10) attracted capital;
- 11) proceeds from the sale of shares;
- 12) proceeds from the sale of other securities;
- 13) citizens' contributions;

14) budget investments.

37. In what qualities can investment institutions act as stock market participants:

- a) financial brokers;
- b) financial intermediaries;
- c) investment advisers;
- d) investment companies;
- e) investment funds?

38. Portfolio management should be guided by a portfolio strategy that is defined by:

- a) type of portfolio;
- b) the purpose of creating a portfolio;
- c) the state of the market, its completeness;
- d) the dynamics of the interest rate;
- e) exchange rate of securities;
- e) the possibility of realizing the purpose of investment funds through securities portfolios;
- is current legislation;
- g) the general economic situation;
- c) the need to maintain liquidity;
- 10) minimizing risks;
- 11) the type of strategy;
- 12) short-term;
- 13) medium-term;
- 14) long-term.

39. The investment attractiveness of the firm is assessed by the investor under the following conditions:



- a) determination of the purpose of capital investment;
- b) the choice to purchase alternative privatization objects;
- c) buying shares of individual companies;
- d) justification of investment efficiency.

40. In determining the stages of the life cycle of the enterprise, an analysis is made:

- a) yes;
- b) no

41. The main directions of the financial analysis of the enterprise in the process of assessing investment attractiveness:

- a) turnover of assets;
- b) profitability of capital;
- c) financial sustainability;
- d) liquidity of assets;
- e) financial instability.

42. Specify the stages of the investment management process of the company:

- a) development of an investment strategy;
- b) formation of an investment portfolio;
- c) operational management of the implementation of investment programs and projects.

43. What are the main components of the opportunity to attract investment resources:

- a) real investment;
- b) financial resources;
- c) amount of capital reserve;

d) stock of financial resources.

44. What factors are designed to ensure the development of a strategy:

- a) effective use of own financial resources;
- b) the most effective use of own financial resources;
- c) continuous investment activity in the foreseen volumes;
- d) financial sustainability of the company in the long run;
- e) financial liquidity of the company for the next year.

45. The main stages of developing an investment strategy are as follows:

- a) forecasting consumption of all volume of investment resources;
- b) study of possibilities of formation of investment resources at the expense of all possible sources;
- c) study of possibilities of formation of investment resources at the expense of own and attracted resources;
- d) optimization of the structure of sources of investment resource formation.

46. The possibility of investing capital for its next increase or the opportunity to maintain or maintain something is:

- a) innovation potential;
- b) investment potential;
- c) commercial potential;
- d) financial potential.

47. Possible sources of investment resources formation:

- a) own;
- b) involved;
- c) occupied;

d) received;

48. All types of cash and other assets involved in investing in investment objects are:

- a) financial resources;
- b) property resources;
- c) investment resources (IP).

49. Are the main criteria for optimizing the ratio of internal and external sources of financing of investment activity of the enterprise:

- a) yes;
- b) no

50. What banks in Ukraine can invest (investing) in entities subject to permission?

- a) commercial banks;
- b) universal banks;
- c) specialized banks;
- d) investment banks;
- e) Innovative banks.

51. Indicate the main sections of the investment project business plan:

- a) a brief description of the IP;
- b) the characteristic of the branch in which the IP is realized;
- c) the characteristic of the product (services);
- d) the location of the object;
- e) market analysis;
- e) competitors;
- is) the volume of the plan and the structure of production (services);

- g) provision of production (services) of the main resources;
- h) marketing strategy;
- i) management of the implementation of IP;
- i) assessment of risks and forms of insurance;
- d) the financial plan;
- k) the financing strategy of the IP.

52. Identify the stages of market analysis:

- a) characteristics of potential consumers of this product (services);
- b) the type of goods and services considered in the investment project;
- c) forecast of the possible volume of sales of the product within the IP for 5 years;
- d) assessment of the level and dynamics of product prices on the domestic and foreign markets;
- e) assessment of contemporary and projected levels of competition in the domestic market.

53. Indicate the basic principles for assessing the effectiveness of real investment:

- a) assessment of the return of invested capital based on the cash flow of the IP;
- b) mandatory deduction of the amount of invested capital and cash flow to the present value;
- c) optional adjustment of the present value of the amount of invested capital;
- d) the choice of the differential interest rate (discount rate) in the process of discounting the cash flow of the IP;
- e) the variation of the forms of the interest rate used for discounting depending on the purpose of the valuation.

5. The question is for the control of preliminary studies, discussions, independent study and comprehension of the educational material

***Problem issue:***

Evaluate the state of foreign investment in the Ukrainian economy.

6. Recommended literature

1. Law of Ukraine "On Investment Activity" of September 18, 1991
2. Law of Ukraine "On the regime of foreign investment" of 19.03.96. No. 94/96-BP
3. Law of Ukraine "On General Principles of Creation and Functioning of Special (Free) Economic Zones" of October 13, 1992, No. 2673-XII.
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6. Investing [Text]: Textbook / VM Grinev [and others]. - K.: Knowledge, 2008. - 458 p.
7. Mayorova T. V. Investment activity: underground. [for the studio. higher teach shut off] / T.V. Mayorov]; - K .: Center for Educational Literature, 2009. - 472 p.
8. Moiseenko I.P. Investing. - K .: Knowledge, 2006. - 490 p.
9. Sazonets I. L., Fedorova V. A. Investing. Textbook. - K .: Center for Educational Literature, 2011. - 312 p.
10. Shchukin B. M. Investing: Course of lectures. - K .: MAUP, 2004. - 216 pp.

### 3. Theme of the practice: **Innovative activity as an object of innovative management**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the issues of innovation activity as an object of innovation management.

2.1 After completing the work the student must know:

1. The content and concepts of "innovation process" and "innovation activity".

2. Stages of the innovation process at the macro and micro levels.

3. Problems of implementation of innovative processes in the organization.

be able:

To orient in such concepts: Innovation process, innovative activity, innovative development

3 Brief information on the theoretical part of the work

**Stages of the innovation process at the macro and micro levels.** Innovation process in the organization is carried out in several stages:

1) generation of ideas on ways to meet new social needs;

2) development of a plan and preliminary estimation of its market attractiveness;

3) analysis of the institutional conditions for the implementation of the plan and the accompanying expenses, their comparison with the financial capabilities of the organization;

4) design and technological development of a new product;

5) trial marketing (forecasting demand and evaluating future benefits);

6) planning and organizing the process of manufacturing a new product;

7) commercial realization of novelties.

The model of innovation process in a separate organization is somewhat different from the general one. It covers six stages. 1. Identify the need for innovation (identification and analysis of the problem, awareness of the need for innovation, the conviction of the members of the organization in need of innovation). 2. Collection of information about possible innovations that will provide a solution to the problem (finding information on ways to solve such problems, identifying options for innovative solutions).

1. Evaluation criteria for innovative projects feasibility and economic viability (development of innovative projects at tsinyuvannya projected results of implementation of each project, the choice of an innovative project).

2. Deciding on the introduction of innovation (decision on the feasibility of implementing a selected innovation project, decision-making by senior management).

3. Implementation of innovation (trial implementation; full implementation; use).

4. Institutionalization of innovation (routinization, modification, diffusion).

5. Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.))

### **Life cycle of innovation**

The concept of the product life cycle was first proposed in 1965 by the American marketing theorist Theodore Levitte

Its essence lies in the fact that each new product undergoes a certain life cycle, during which there are changes between the volumes of its implementation and the magnitude of profit. According to the concept, any product lives on the market only for a limited time, the duration of which depends on its purpose and specific qualitative characteristics. The life cycle of innovation, as a rule, develops

traditionally. In some cases, innovation is so successful that its life cycle lasts for a long time. This is a boom on the product or a long admixture. However, the novelty may prove to be unsuccessful: the consumer, first interested in, soon loses interest in it. It may also happen that sudden interest in a novelty, due to successful advertising, will turn it into a product that everyone is fond of. But after a while, the fashion goes away, and the life cycle is over. Interest in the product may also be seasonal in nature, that is, demand grows in a given season. Often innovations exist in numerous modifications. Improvement of the basic idea, the best design decision contribute to the continuation of the life cycle of innovation, the restoration of demand for it.

Hence, the life cycle of innovation is the period of its stay within the firm-innovator, or several innovating firms, and beyond, when innovation is used by others.

For great potential, innovation, as a rule, extends beyond the enterprise through diffusion (Latin *diffusio*-distribution). This is especially true for technological innovations. The spread of innovation in various sectors of the economy reflects the logistic curve, which is called S-shaped. It simulates the process of moving from one relatively stable state of the industry to another, the process of radical change that accompanies the innovation activities of the industry, and reflects the stages of the life cycle of innovation: origin, diffusion and decay. technical achievements for increasing the productivity and effectiveness of the socio-economic system.

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

1. What is meant by the organization of the implementation of innovations?
2. Open the essence of the concept of "innovation management"
3. What depends on the successful management of innovation?

6. Recommended Books



1.Vasilenko VO, Shmatko V.G. Innovation Management: Teach. manual for the stud higher educators closed .. - K.: ZUL, 2003. - 439s.

2.Ilyashenko S.M. Management of Innovative Development: Monograph / S. M. Ilyashenko, O. A. Belovodskaya. - Sumy: University Book, 2010. - 281 c.

3.Krasnokutskaya N.V. Innovation Management: Teach. manual / Kyiv National Economic University. - K.: KNEU, 2003. - 502c.

4.Nikitiuk P.P. Innovation Management: Teach. manual / P.P. Nikitiuk - K.: Center for Educational Literature, 2007. - 400 with.

#### 4. Theme of the practice: **State support of innovation activity**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of the study of issues related to state support for innovation activities

2.1 After completing the work the student must know:

1. Market mechanisms in the field of scientific and scientific and technical activities.
2. National innovation system.
3. The main tasks of the state's innovation policy
4. Basic principles of state innovation policy in the agrarian sector of Ukraine
5. World experience of stimulating innovation and protecting intellectual property.

be able:

to be guided by the following concepts: Innovation infrastructure, innovation sphere, innovation market, intellectual product, intellectual property, business incubator, technopark, technopolis

3. Brief information on the theoretical part of the work

4. Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.))

#### **Demolition Theory Innovation Clayton Christensen**

He identifies three types of innovation: *supporting innovation*, *"subversive" innovation to lower market sectors* and *"Subversive" innovations designed for new markets*. Supportive innovations lead the company in a well-established trajectory of improvements. These enhancements affect existing products. "Subversive" innovations usually offer new products or new product qualities. Thanks to "subversive" innovation or the creation of new markets, or rebuilding the already existing Clayton Christensen Incentive and Opportunity

Model, it suggests that innovation is flourishing when companies have not only incentives but also opportunities to develop these innovations. Using a model of incentives and opportunities allows you to point out obstacles that hinder the development of innovation. **The main problems that today significantly restrain the pace of innovative development of the agrarian sector in Ukraine are: the** imperfection of the regulatory framework for the regulation of innovation activity, the lack of coordinated management of innovation processes at all levels; the lack of financial support for the introduction of innovation, the problem of highly skilled management personnel capable of managing innovation. Nowadays, innovations are not only the main source of economic development, competitiveness and strengthening of the country's leading position in the world, but also an instrument for solving the problems that arise before society. The process of innovation requires a consistent state policy. **The main principles of the state innovation policy in the agrarian sector are:**

making political decisions that accelerate "subversive" processes in the agrarian sector (2) creating the necessary conditions and incentives for the generation of innovations; (3) the discovery of breakthrough innovations, the experimental determination of the limits of their application in local conditions and mass implementation; (4) an adequate assessment of the implications of the introduction of each innovation and the development of effective technologies for screening fictitious innovations at an early stage; (5) ensuring the comprehensive coverage of innovation processes in the agrarian sector in all regions.

System of methods of state regulation of innovation activity in Ukraine

*1 Legal methods*. These methods have a regulatory effect through the legal regulation of specific activities (the creation of a legal framework and economic mechanisms to support innovation activity), legislative provision of rights and interests of actors of innovation activity (for example, rights to intellectual property objects), a system of state standards and methods of direct administration (licensing, patenting, quotas, etc.). Thus, the system of strict standards for the

quality of food products gave impetus to the development of firms specializing in their certification.

2 *Organizational and economic methods.* With the help of methods of this group, the state regulates and stimulates the development of priority sectors, the production of certain types of goods, the development of science and technology, investment and innovation activities, which, in turn, provides the opportunity for the development of entrepreneurial structures and individual economic entities (although in conditions Ukraine, this mechanism is far from perfect). One of the crucial roles in ensuring the success of innovation is its infrastructure support (Section 4.3.), Which ensures effective interaction between the subjects of the innovation process. 3. *Planning methods.* These are methods that involve conducting planning and research work, preceding socio-economic innovation development. The methods of this group stimulate the development of certain industries, regions, types of activity, which, in turn, stimulates the development of innovations at different levels and the innovative way of development in general. For example, the availability of state orders for the production of certain types of agricultural products stimulates their production, giving rural enterprises the opportunity to develop.

4 *Methods of political regulation .* The development of innovation is influenced by the provision of various kinds of rights and freedoms: the right to engage in entrepreneurial activity, property rights, the provision of a certain right status to certain territories (free economic zones, offshore zones that stimulate the development of specific regions and activities). In addition, political parties struggling for power formulate development programs, including innovative, which are realized (at least in the main features) in case of victory. 5 *Methods of social regulation .* They influence the development of the market for certain types of goods through social movements ("green"), various non-state organizations (eg, professional associations). This influence can both stimulate development and counteract it.

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

1. What measures of state incentives and regulation of innovation activity are applied in the leading countries of the world?

2. To describe the system of methods of state regulation of innovation activity in Ukraine.

3. How is the legal regulation of innovation activity in Ukraine?

4. What is an innovative infrastructure, what are its elements and functions?

5. What are the elements of financial and economic support for innovation?

7. What are the certification bodies of innovative products and intellectual property rights protection bodies?

8. How does the expertise and promotion of innovation in the marketplace take place?

10. What are technology parks and business incubators? What is their role in providing a supportive innovation climate?

11. Based on what is developed and implemented state innovation policy

12. What are the main issues that today significantly restrain the pace of innovative development of the agrarian sector in Ukraine?

#### (1) Recommended Books

1. On Innovative Activity [Electronic Resource]: The Law of Ukraine. - Mode of access: <http://zakon1.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=40-15>

2. On the Concept of Scientific, Technological and Innovative Development of Ukraine [Electronic Resource]: Resolution of the Verkhovna Rada of Ukraine dated July 13, 1999 No. 916-XIV. - Access mode: <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=916-14>

3. About scientific and scientific-technical activity [Electronic resource]: Law of Ukraine. - Access mode <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=1977-12>

4. On Priority Areas of Innovation Activity in Ukraine [Electronic Resource]: Law of Ukraine. - Access mode: <http://zakon1.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=433-15>

5. On the Recommendation of the Parliamentary Hearings on the topic: "The National Innovation System of Ukraine: Problems of Formation and Implementation" [Electronic resource]: Resolution of the Verkhovna Rada of Ukraine dated June 27, 2007 No. 1244-V. - Mode of access: <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=1244-16>

6. About the special regime of innovation activity of technological parks: the Law of Ukraine // Bulletin of the Verkhovna Rada of Ukraine (VVR), 2006. - No. 22, Art. 182. - P. 809-815.

7. On Approval of the Concept for the Development of the National Innovation System [Electronic Resource]: Order of the Cabinet of Ministers of Ukraine dated June 17, 2009 No. 680-p. - Access mode: <http://www.ovu.com.ua/articles/1625-pro-shvalennya-kontseptsiyi-rozvitku-natsionalnoyi>

8. Vasilenko VO, Shmatko V.G. Innovation Management: Teach. manual for the stud higher educators closed .. - K.: ZUL, 2003. - 439s.

9. Nikitiuk P.P. Innovation Management: Teach. manual / P.P. Nikitiuk - K.: Center for Educational Literature, 2007. - 400 with.

## 5. Theme of the practice: **Organizational forms of innovation activity**

2. The purpose of conducting studies to consolidate the theoretical knowledge gained as a result of studying questions on the organizational forms of innovation activity

2.1 After completing the work the student must know:

1. Features of management in scientific organizations and small innovative enterprises.

2. Small innovative business, lifecycle and development trends.

3. Innovative venture funds. The role of venture business in the development of innovation activities. 4. Organization of introduction and transfer of scientific innovations.

be able:

to focus on such concepts as: "*Venture companies*", "*transfer of innovations*"

3 Brief information on the theoretical part of the work

4. Methodical recommendations for implementation and execution (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.)).

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

1. How does the idea of new products come about: due to a targeted search or accidental?

2. What is the difference between the concepts of "innovation process", "innovative activity"?

3. Identify the main directions of the transfer of innovation.

4. What is the feature of venture companies?

5. Describe the trends of small innovative business development

6. Recommended Books

1.Vasilenko VO, Shmatko V.G. Innovation Management: Teach. manual for the stud higher educators closed .. - K.: ZUL, 2003. - 439s.

2.Ilyashenko S.M. Management of Innovative Development: Monograph / S. M. Ilyashenko, O. A. Belovodskaya. - Sumy: University Book, 2010. - 281 c.

3.Krasnokutskaya N.V. Innovation Management: Teach. manual / Kyiv National Economic University. - K.: KNEU, 2003. - 502c.

4.Nikitiuk P.P. Innovation Management: Teach. manual / P.P. Nikitiuk - K.: Center for Educational Literature, 2007. - 400 with.



## 6 . Theme of the lesson: **Management of the innovative development of the organization**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the issues of management of the innovative development of the organization.

2.1 After completing the work the student must know:

1. Types of innovative strategies in the management of the organization.

2.The nature of the concept of "innovative development".

3. The concept of technological methods S. Glaziev.

4. The state of innovation development of Ukraine.

5. Innovation of the organization. Principles of management of innovative development of the organization

be able:

To orient in such concepts as: « Innovation strategy», «innovative development», «progressive innovative development», «regressive innovative development», «innovation of organization»

3 Brief information on the theoretical part of the work

Three general values of a business organization - controllability, innovation, client orientation is distinguished by A. Prigogine. Guidance means some measure in the ratio of the control and management subsystems of the organization, the degree of control that the first one can distribute to the other, to cover it.

Innovation scientist treats as the ability of an organization to generate novelty and innovate. To some extent, it is an antithesis of controllability, since innovations often reduce control (for some time), but without them controllability becomes dysfunctional. A.Prigozhin notes that the innovation of the organization is:

- in openness to changes (thinking, behavior, product, etc.);

- the proactivity of management, that is, the orientation is not so much on following the demand, but on the impact on demand; not just sensitivity to market signals, but the production of new signals for it;

- the quality of managerial authority, that is, the manager's ability to bring innovation processes to full completion.

The client orientation of the organization is the correspondence to the needs, market trends, attractiveness of its products for the clients.

***An enterprise that has become an innovative way of development must operate in accordance with the following principles:***

- ***adaptability*** - the desire to maintain a certain balance of external and internal development opportunities (internal motivating the activities of the business entity and external, generated by the market environment);

- ***dynamism*** - dynamic matching of goals and motives (incentives) of the enterprise (including its owners, managers, specialists, employees);

- ***self-organization*** - independent maintenance of maintenance of conditions of functioning, that is, support for the exchange of resources (information, material, financial) between the elements of the enterprise system, as well as between the enterprise and the external environment;

- ***self-regulation*** - adjusting the management system of the enterprise in accordance with changes in operating conditions;

- ***Self-development*** - independent provision of conditions for long-term survival and development of the enterprise (in accordance with its mission and accepted motivation activities). According to these principles, the system of management of innovative development of a trading enterprise should function also.

Management of innovative development should be guided by the achievement of certain goals (gaining a larger market share, increasing profits in the current period or in the long run, ensuring high rates of sustainable economic development, etc.) in a competitive environment, when the goals of other business entities can be they do not match (and, as a rule, do not match). This contradiction should be duly taken into account, matching the intended goals with the possibilities of their achievement.

4 Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks, test samples, exercises, etc.))

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

Reports:

1 The essence of the goal of innovation management. The main objectives of innovation management. Areas of innovation management.

2 The concept of innovation. Various aspects of their influence on the economic social system. Unevenness of innovation activity. Two theoretical approaches to the mechanism of primary innovation.

3 Classification of innovations.

4 Evolution of innovative theories. The theory of "long waves" by Kondratiev.

5 Classical innovation theory.

6 Neoclassical theory of innovations.

7. The theory of acceleration.

#### 6. Recommended Books

1. Galitsya I.O. What is innovative development? / I.O Galitsa // Economy and the state. - 2003. - No. 10. - P. 32-33.

2. Hamann MV State regulation of innovation development of Ukraine: monogr. / M.V. Poke. - K.: View at NAPA, 2005. - 386 p.

3. Hamann MV State Innovation Management: Ukraine and foreign experience: monogr. / M.V. Poke. - K.: Victoria, 2004 - 311 pp.

4. Glazyev S.Yu. Development of the Russian economy in the conditions of global technological shifts: a scientific report for discussion at a meeting of the economic session of the Division of Social Sciences of the Russian Academy of Sciences. - [Electronic resource] / S.Yu. Glaziev. - SP

Kurdyumov's web site. - Access mode:  
[//http://spkurdyumov.narod.ru/GlazyevSUr.htm](http://spkurdyumov.narod.ru/GlazyevSUr.htm)

5. Dudar T. G. Innovation Management: Teach. manual / Dudar T. G., Melnichenko V. V. .. - Ternopil: Economic Thought, 2008. - 250 p.

6. Ilyashenko S.M. Management of innovative development: problems, concepts, methods: teaching. manual / SM Ilyashenko - Sumy: "University Book", 2003 - 278 with.

7. Nikitiuk P.P. Innovation Management: Teach. manual / P.P. Nikitiuk - K.: Center for Educational Literature, 2007. - 400 with.

8. Onikienko VV Innovative paradigm of social and economic development of Ukraine: monogr. / VV Onikienko, LM Yemelyanenko, IV Teron - K., 2006. - 480 with.

## 7. Theme of lesson: **Management of innovative project**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the issues of management of an innovative project.

2.1 After completing the work the student must know:

1. Innovation project: the essence of the concept.
2. Life cycle of the innovation project. Financing Innovation Project.
3. Principles of management of innovative projects.
4. Management of realization of innovative projects.
5. Resource support of the innovation project. Information support. Investment support

be able:

to orient in such concepts as: "Innovation project", "life cycle of innovation project", principles of management of innovative projects.

3 Brief information on the theoretical part of the work

*The principle of the hierarchy of the organization of innovative processes and processes of management* of them permits their representation with different degrees of activity, which corresponds to a certain level of the hierarchy. All levels of activity agree with each other so that the lower level complies with the higher level, and the states (decisions, goals, intermediate and final results) of the process at a higher level are obligatory for determining the states at the lower level.

*The principle of multivariateness in the development of managerial decisions.* Innovative processes take place under the strong influence of uncertain factors that need to be taken into account in the management process. To reduce the degree of uncertainty, it is necessary to move to a variety of alternative solutions for selecting the final objectives of the projects, alternative ways to achieve them, options for integrated work provision, including the different composition of the performers, the cost and duration of the work, material and technical resources and the conditions for stimulating performers.

***Principle of systemicity*** what is to develop a set of measures necessary for the implementation of the project (organizational, economic, legislative, administrative, technological, etc.), in conjunction with the concept of development of the country as a whole.

***The principle of complexity.*** Here it means that the development of separate interconnected elements of the design structure, which ensure the achievement of sub-targets, should be carried out in accordance with the general (general) goal of a project.

***The principle of security (equilibrium) that is*** in because all the measures envisaged in the project must be provided with various types of resources necessary for its realization : financial, informational, material, labor.

4. Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks , samples of tests, exercises, etc.).

***The concept of an innovation project should determine the*** options for its implementation, formulate the main objectives and expected final results, assess the competitiveness and promise of the results of the project, as well as evaluate the possible effectiveness of the innovation project. In the process of developing the concept of an innovation project, the following stages can be distinguished :

- formation of an innovative idea and statement of the project purpose;
- marketing research project ideas;
- structuring the project;
- risk and uncertainty analysis;
- choice of the project implementation option

***Marketing research project ideas.*** In parallel with the formation of the innovative idea of the project, its marketing research is conducted. The purpose of this phase is to determine the scope of the project for the development of the national economy and, as a consequence, quantify the objectives of the project and tasks for specific periods.

***Risk and uncertainty analysis.*** One of the most significant features of innovative projects is that implementation of projects is carried out under conditions of risk and uncertainty. At the same time, uncertainty refers to the incompleteness or inaccuracy of information about the terms of the project, including the costs and results associated with them. Uncertainty associated with the possibility of occurrence in the course of project implementation of adverse situations and consequences, is characterized by the concept of risk.

***The choice of the implementation of an innovative project.*** Choosing from the available options for the most viable innovation project is one of the most responsible design procedures. The main tasks of this phase are:

- establishment of the main criteria (indicators) of the effectiveness of the innovation project;
- calculation of the efficiency of alternative project options, taking into account the probability of their implementation;
- Comparison and selection of an innovative project option for implementation.

***The break-even point*** characterizes the sales, in which gross revenue from sales of products coincides with gross production costs. Gross expenses represent the sum of permanent (that is, not constant over time and not dependent on changes in the volumes of production and sales) costs and variables (the value of which varies in proportion to the change in volumes of production and sales). To confirm the viability of the project (project variant) it is necessary that the value of the break-even point is less than the values of nominal volumes of production and sales. The farther from them the value of the break-even point (in%), the more sustainable the project.

Thus, the development of the concept of an innovation project involves conducting research and all stages of the feasibility study of an innovation project (from the definition of the goal to the selection of the most effective option for its achievement).

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

1. How do the concepts "innovation" and "innovation project" relate?
2. What are the peculiarities of the management of the implementation of innovative projects?
3. What are the positions defined in the concept of the innovation project?

6. Recommended Books

1. Vasilenko VO, Innovation Management: Teach. manual for the stud higher educators closed .. Vasilenko VO, Shmatko V.G. - K.: ZUL, 2003. - 439 c.
2. Nikitiuk P.P. Innovation Management: Teach. manual / P.P. Nikitiuk - K.: Center for Educational Literature, 2007. - 400 with.
3. Ilyashenko S.M. Management of innovative development: monogr. / S. Ilyashenko, O. A. Belovodskaya. - Sumy: University Book, 2010. - 281 c .
4. Skibitsky O.M. Innovation and Investment Management: Teaching. manual for the stud higher educators shut up / O. M. Skibitsky. - K.: Center for Educational Literature, 2009. - 408 p.
5. Batenko L.P. Project Management [Text]: tutor. manual / L.P. Batenko, O.A. Zagorodni, V.V. Lishchanska; Ministry of Education and Science of Ukraine, Kyivsky National University. econ un - K.: KNEU, 2005 - 231 p.
6. Tarasyuk G. M. Project Management [Text]: Teaching. manual / G. M. Tarasyuk. - 3rd kind. - K.: Caravel, 2009. - 320 s.



## 8. Topic: **Risk Management in Innovation**

2. The purpose of the class is to consolidate the theoretical knowledge gained as a result of studying the issues of management of an innovative project.

2.1 After completing the work the student must know:

1. Project Risk Management.
2. Risks of innovative projects
3. Risk areas
4. Stages of the cycle of innovation risk management
5. Basic risk assessment methods
6. The role of chance in the theory of risk management

be able:

To focus on such concepts as *"Innovation Benefits"*, *"risk"*, *"risk zone"*, *"risk management"*, *"risk management cycle"*, *"chance"*.

3 Brief information on the theoretical part of the work

***The principle of the hierarchy of the organization of innovative processes and processes of management*** of them permits their representation with different degrees of activity, which corresponds to a certain level of the hierarchy. All levels of activity agree with each other so that the lower level complies with the higher level, and the states (decisions, goals, intermediate and final results) of the process at a higher level are obligatory for determining the states at the lower level.

***The principle of multivariateness in the development of managerial decisions.*** Innovative processes take place under the strong influence of uncertain factors that need to be taken into account in the management process. To reduce the degree of uncertainty, it is necessary to move to a variety of alternative solutions for selecting the final objectives of the projects, alternative ways to achieve them, options for integrated work provision, including the different composition of the performers, the cost and duration of the work, material and technical resources and the conditions for stimulating performers.

***Principle of systemicity*** what is to develop a set of measures necessary for the implementation of the project (organizational, economic, legislative, administrative, technological, etc.), in conjunction with the concept of development of the country as a whole.

***The principle of complexity.*** Here it means that the development of separate interconnected elements of the design structure, which ensure the achievement of sub-targets, should be carried out in accordance with the general (general) goal of a project.

***The principle of security (equilibrium) that is*** in because all the measures envisaged in the project must be provided with various types of resources necessary for its realization : financial, informational, material, labor.

5. Methodical recommendations for implementation and design (short recommendations for implementation (solving practical (laboratory) tasks; various types of practical tasks in accordance with the specialty (tasks, tasks , samples of tests, exercises, etc.).

***The concept of an innovation project should determine the*** options for its implementation, formulate the main objectives and expected final results, assess the competitiveness and promise of the results of the project, as well as evaluate the possible effectiveness of the innovation project. In the process of developing the concept of an innovation project, the following stages can be distinguished :

- formation of an innovative idea and statement of the project purpose;
- marketing research project ideas;
- structuring the project;
- risk and uncertainty analysis;
- choice of the project implementation option

***Marketing research project ideas.*** In parallel with the formation of the innovative idea of the project, its marketing research is conducted. The purpose of this phase is to determine the scope of the project for the development of the national economy and, as a consequence, quantify the objectives of the project and tasks for specific periods.

***Risk and uncertainty analysis.*** One of the most significant features of innovative projects is that implementation of projects is carried out under conditions of risk and uncertainty. At the same time, uncertainty refers to the incompleteness or inaccuracy of information about the terms of the project, including the costs and results associated with them. Uncertainty associated with the possibility of occurrence in the course of project implementation of adverse situations and consequences, is characterized by the concept of risk.

***The choice of the implementation of an innovative project.*** Choosing from the available options for the most viable innovation project is one of the most responsible design procedures. The main tasks of this phase are:

- establishment of the main criteria (indicators) of the effectiveness of the innovation project;
- calculation of the efficiency of alternative project options, taking into account the probability of their implementation;
- Comparison and selection of an innovative project option for implementation.

***The break-even point*** characterizes the sales, in which gross revenue from sales of products coincides with gross production costs. Gross expenses represent the sum of permanent (that is, not constant over time and not dependent on changes in the volumes of production and sales) costs and variables (the value of which varies in proportion to the change in volumes of production and sales). To confirm the viability of the project (project variant) it is necessary that the value of the break-even point is less than the values of nominal volumes of production and sales. The farther from them the value of the break-even point (in%), the more sustainable the project.

Thus, the development of the concept of an innovation project involves conducting research and all stages of the feasibility study of an innovation project (from the definition of the goal to the selection of the most effective option for its achievement).

5. Questions for the control of preliminary studies, discussions, independent study and comprehension of educational material

1. Expand the concept of "risk", "project risk management".
2. When there is a risk in organizations?
3. What depends on the success of any innovation project?
4. Identify the main objectives of risk management in innovation activities.
5. Expand the concept of "risk zone". Describe the areas of risk.
6. How do you understand the essence of the concept of "chance" in the theory of risk management?

#### 7. Recommended Books

1. Batenko L.P. Project Management [Text]: tutor. manual / L.P. Batenko, O.A. Zagorodni, V.V. Lishchinsky. - K.: KNEU, 2005 - 231 p.
2. Vasilenko VO Innovation Management: Teach. manual for the stud higher educators eng / VO Vasilenko, V.G. Shmatko - K.: ZUL, 2003. - 439 c.
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