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ABOUT ECONOMIC EFFICIENCY DEFINITION VENTURE FINANCING

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Abstract. The article analyzes contemporary approaches to defining the essence of venture capital and venture capital financing, their role in the development of modern economic processes and analyzes the criteria and methodological approaches to assessing the efficiency of venture capital.

Key words: *venture capital, venture capital, project criteria, methodological approaches, efficiency, cash flow present value.*

Improving the competitiveness of the national economy is closely related to the search for additional sources of funding, one of which in developed countries recognized venture capital. World experience shows that the emergence of venture capital has led to a significant intensification of the innovation process, and the venture capital is increasingly becoming a factor in accelerating the development of scientific and technological progress.

Economics venture capital formed two parallel directions: first deepened theoretical understanding on risk forms of innovative entrepreneurship and motivation analyzed entities engaged in this activity, and the second, developed through the study of the nature of capital as a quality manifestation of private property in a market economy.

Venture capital is the vast majority of scientists consider as a form of investment allocated to build new or expand existing businesses, or implementing some innovative projects. It is expected rapid growth in production and, consequently, a large profit that exceeds the average rate.

According to general methodological approaches relative effectiveness of any investment is calculated as the ratio of economic benefits to costs that are associated with it. It is no exaggeration to note that venture capital is associated with some risk and financial costs, as much of the funds invested in the deal before you start receiving income.

There are many methods for economic analysis of investment efficiency. The most popular ones:

1) determining the payback period;

2) evaluation of internal rate of return on investment;

3) evaluation of net income reduced;

4) assessment of value added;

5) the efficiency ratio improving the quality and quantity of product produced;

6) evaluation of the dynamics of non-financial indicators (eg increased productivity or reducing risks).

To assess the effectiveness of investments developed a number of methods that can be divided into three groups:

1) the classical methods of evaluating investment projects operating metrics such as net adjusted income (Net Present Value, NPV), internal rate of return (Internal Rate of Return, IRR), payback period (Payback), value added (Economic Value Added , EVA);

2) consumables evaluation methods, the main of which are: determining TCO (Total Cost of Ownership), total cost of ownership applications (Total Cost of Application Ownership, TCA);

3) comprehensive evaluation methods set financial and non-financial performance indicators (shipboard Performance Indicators, KPI): Balanced Scorecard Norton and Kaplan (Balanced TCO), the real cost of ownership (Real Cost of Ownership, RCO), Scorecard, BSC), a model of «stakeholder «and pyramid effectiveness Lynch and Cross.

Thus, this study suggests that venture project to assess how individual discount rate should use this rate of interest, which include risk premiums and individual expectations of inflation exceeding the individual discount rate by venture project. In that case, the net effect of the current project will be assessed as negative values. Therefore, using the internal rate of return of investment, they can be divided into favorable and unfavorable. The higher the discount rate for individual venture project exceeds venture now adopted individual discount rate, the greater the margin of safety is in the project and the less important are the errors in assessing the values of future cash flows and lower risk venture project.

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