Yuliia Bychuk
Research supervisor: Sherstniak Maria
Candidate of Economic Sciences, Lecturer
Language tutor: Morozovska Lyudmyla
Candidate of Philological Sciences, Senior Lecturer
Ternopil National Economic University

WORLD FINANCIAL CENTER

The World Financial Center is a place of concentration of banks and specialized credit and financial institutions that carry out international currency, credit, financial transactions, and execute transactions with securities and gold. World financial centers are part of the international capital markets, which can only function if there is a concentration of capital in many developed financial centers. This requires the following factors:

1. Creation of a relative surplus of capital in certain points of the world economy;
2. The emergence of world money, which is capable of ensuring the free flow of capital through its legal status;
3. Sufficiently high degree of organization of transnational and international credit and financial institutions.

The main requirements for the world financial center:

– stable financial system and stable currency;

– availability of institutions that ensure the functioning of financial markets;

– A flexible system of financial instruments that would provide creditors with a variety of options for cost, risk, profit, timing, liquidity and control;

– appropriate structure and sufficient legal guarantees that can bring credibility to international borrowers and lenders;

– human capital, which freely possesses special financial knowledge, as a result of systematic training and retraining;

– Economic freedom: the financial market can not exist without freedom of activity, consumption, accumulation and investment.

Today, there are a large number of different financial centers in the world financial centers, In the operations of the world financial market, the national currency, credit and stock markets, which are closely interwoven with similar world markets, take part. At the same time, based on the huge national markets conducting international operations, there are world financial centers: New York, London, Zurich, Luxembourg, Frankfurt am Main, Singapore, Hong Kong, Bahamas, Panama, Bahrain and others. In these centers, international banks, banking consortia, stock exchanges, which carry out international currency, credit operations, as well as operations with securities and gold, are concentrated.

The most influential global financial centers are London, New York, Tokyo.

London is the financial center of Europe. It is the world's largest national financial center with equally well-developed markets for short-term loans and long-term loans, a powerful stock exchange, and highly secured insurance. The basis of its financial power is not the national but the international currency market and the market of loan capital. One of the features is the ability of banks, exchanges, to respond quickly to any new situation and financial innovation.

New York as a financial center is that it is only a foreign capital market and the primary source of Eurodollars. The main place among the components of this financial center is the market for bank loans. The international activities of large American banks are connected not only with credit operations, but also with investment. They offer their clients various securities transactions, place securities on the primary market, act as brokers in the secondary market.

Tokyo is a major international currency market due to the large daily foreign exchange turnover, especially in the yen / dollar transactions. The Tokyo Stock Exchange is one of the largest exchanges in the world, but as the trading platform is gradually losing popularity. The total number of companies registered in it has not changed for decades. Foreign investors believe that the rules of listing on the stock exchange are too strict and adherence to the rules of publication are expensive. At the Tokyo Financial Center operated by authorized Japanese banks and foreign banks engaged in lending to industry and trade.

Financial centers operate around the clock, managing the flow of international financial flows. The effectiveness of international currency-credit and settlement operations is provided by the World Bank interbank financial telecommunication network, which does not recognize national borders. Its main task is to transfer any banking and financial information on the basis of computer facilities.

References:

1. Міжнародна макроекономіка 2014-2015 [Електронний ресурс]. - Режим доступу: https://pidruchniki.com/14650803/ekonomika/svitovi_finansovi_tsentri
2. Швайко М.Л.. Курс лекцій навчальної дисципліни:“МІЖНАРОДНІ ФІНАНСИ” Харків – 2012 [Електронний ресурс]. - Режим доступу: 2012. https://economics.studio/finansistam/svitovi-finansovi-tsentri-49731.html

Khrystyna Chypurka
Research supervisor: Andriy Butov
Candidate of Economic Sciences, Associate Professor
Language tutor: Svetlana Rybachok
Candidate of Philological Sciences, Associate Professor
Ternopil National Economic University

INVESTMENT COMPANIES

The Investment companies are the non-finance banking companies that are primarily engaged in the business of buying and selling of securities. An investment manager decides what assets to buy in order to build a diverse, managed portfolio. Investment companies invest money on behalf of their clients who, in return, share in the profits and losses.

Basically, the investment companies are divided into three types:

1. Open-end funds (also called mutual funds) which have a floating number of issued shares, and sell or redeem their shares at their current net asset value (NAV);

2. Closed-end funds (also called investment trusts) which can sell only a fixed number of shares which are traded on stock exchanges, usually at a discount to their net asset value;

3. Unit investment trusts (also called unit trusts) which sell their redeemable securities (called units) which represent interests in the securities held by the trust in its investment portfolio [1].

Investment companies can borrow money to make additional investments. This is called 'gearing'. It lets the company take advantage of a long-term plan or a particularly attractive stock without having to sell