

# Analysis Of The Bankruptcy Procedure The Liquidity Of The Balance Of Viticulture Making Enterprises

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## **Abstract**

The analysis of the bankruptcy procedure for E. Altman 's " Z- account" showed that out of 5 studied enterprises, Solnechnaya Dolina LLC fell into the category of bankruptcy probability "very high", whose " Z- account" in 2007 was 0.6993 and in 2008 - 0.4184; SE "Zavetnoe", whose " Z- account" in 2007 was 0.7765 and in 2008.

## **Keywords:**

Bankruptcy, Liquidity, balance, Viticulture, Wine-Making, Crimea.

## **Introduction**

High probability of bankruptcy at the state enterprise AF "Magarach", for which the " Z- score" in 2007 was 1.6008 and in 2008 was 1.7462; a high probability of bankruptcy is present at the Crimean Wine Company LLC, which has a " Z- account" in 2007 it was 1.8851 and in 2008 - 2.2141. The best situation, different from other undertakings, is at Massandra NPJSC, for which the probability of bankruptcy in 2007 is possible - 2.9414 and in 2008 the probability of bankruptcy is "very low" and amounted to 10.0447.

## *Table 1*

**Analysis of bankruptcy procedures for E. Altman 's " Z- score" of five wineries in 2007-2008**

Years	LLC "Crimean Wine Company"	JSC "Solnechnaya Dolina"	DP AF "Cherished"	SE AF Magarach	NPAO "Massandra"
2007	1,8851	0,6993	0,7765	1,6008	2,9414
2008	2,2141	0,4184	0,9121	1,7462	10,0447
Rating by points	2	5	4	3	1
Bankruptcy probability	High	Very high	Very high	Very high	Possible
					Very low

The next step will be to analyze the liquidity of the balance sheet of enterprises for 2007-2008 (table 2).

*table 2*

**Analysis of the liquidity of the balance sheet of enterprises for 2007-2008**

LLC "Crimean Wine Company"							
Active	2007	2008	Passive	2007	2008	Payment (lack), surplus	
						2007	2008
Most liquid assets	6,4	0	Most urgent commitments	3471,1	3602,0	3464,7	3602,0
Quickly realizable assets	1402,4	1313,0	Short-term liabilities	3926,3	3781,0	2523,9	2468
Slowly realizable assets	0	-4658,0	Long-term liabilities	0	0	0	4658,0
Hard-to-	5787,5	5971,0	Permanent	-4999,6	-4894,0	10787,	10865,

sell assets			liabilities			1	0
<b>Balance</b>	7196,3	(7284)	<b>Balance</b>	7196,3	(7284)	0	0
<b>JSC "Solnechnaya Dolina"</b>							
Most liquid assets	2840,1	2188,0	Most urgent commitmen ts	344,2	587,0	- 2495,9	- 1601,0
Quickly realizabl e assets	35211,7	47512,0	Short-term liabilities	64033,5	116317, 0	28821, 8	68805, 0
Slowly realizabl e assets	8,4	14,0	Long-term liabilities	2570,2	2983,0	2561,8	2969,0
Hard-to- sell assets	80589,3	90432,0	Permanent liabilities	36397,4	-16832	- 44191, 9	- 10726 4
<b>Balance</b>	118658, 4	(140481 )	<b>Balance</b>	118658, 4	(140481 )	0	0
<b>DP AF "Cherished"</b>							
Most liquid assets	363,1	8,0	Most urgent commitmen ts	492,5	839,0	129,4	831,0
Quickly realizabl e assets	8916	12441,0	Short-term liabilities	1102,8	749,0	- 7813,2	-11692
Slowly realizabl e assets	0	0	Long-term liabilities	41,4	25,0	41,4	25,0
Hard-to- sell assets	15627,5	19758,0	Permanent liabilities	10203	9900,0	- 5424,5	- 9858,0
<b>Balance</b>	24949,1	(32435)	<b>Balance</b>	24949,1	(32435)	0	0

<b>SE AF Magarach</b>							
Most liquid assets	241,0	118,0	Most urgent commitments	653,0	666	412	548
Quickly realizable assets	18930	21051	Short-term liabilities	6725	7759	-12205	-13292
Slowly realizable assets	0	0	Long-term liabilities	1233	3324	1233	3324
Hard-to-sell assets	23457	24591	Permanent liabilities	32823,0	33269,0	9366	8678
<b>Balance</b>	42628,0	45760	<b>Balance</b>	42628,0	45760	0	0
<b>NPAO "Massandra"</b>							
Most liquid assets	6132	3022	Most urgent commitments	3111	3448,0	-3021	426
Quickly realizable assets	105782	129295	Short-term liabilities	10548	16126	-95234	-113169
Slowly realizable assets	300	0	Long-term liabilities	3029,0	4556	2729	4556
Hard-to-sell assets	24655	24400	Permanent liabilities	120046	132000	95391	107600
<b>Balance</b>	136899	156746	<b>Balance</b>	136899	156746	0	0

Doctor of Economics, Professor Kovaleva A.M. calculates a comprehensive assessment of balance sheet liquidity (assessing the financial situation in terms of liquidity, choosing the most reliable partner from a variety of potential partners) of

the overall liquidity indicator. Let's assess the financial situation in terms of liquidity for 2 years of Crimean Wine Company LLC:

$$F12007 = (6,4 + 0,5 * 1402,4 + 0,3 * 0) / (3471,1 + 0,5 * 3926,3 + 0,3 * 0) = 0,13$$

$$Fл2008 = (0+0,5*1313,0+0,3*(-4658))/(3603+0,5*3781+0,3*0)=0,13$$

The overall liquidity indicator of Crimean Wine Company LLC speaks of an unstable financial situation.

Let's assess the financial situation in terms of liquidity for 2 years of Solnechnaya Dolina OJSC :

$$F12007 = (2840.1 + 0.5 * 35211 + 0.3 * 8.4) / (344.2 + 0.5 * 64033.5 + 0.3 * 2570.2) = 0.62$$

$$Fл2008 = (2188+0,5*47512+0,3*14)/(587+0,5*116317+0,3*2983)= 0,44$$

The overall liquidity indicator speaks to Solnechnaya Dolina OJSC about an unstable financial situation.

Let's assess the financial situation in terms of liquidity for 2 years of DP AF Zavetnoye:

$$F12007 = (363.1 + 0.5 * 8916 + 0.3 * 0) / (492.5 + 0.5 * 1102.8 + 0.3 * 41.4) = 4.56$$

$$Fл2008 = (8,0+0,5*12441+0,3*0)/(839+0,5*749+0,3*25)=2,64$$

The overall liquidity ratio of DP AF "Zavetnoye" in 2008 decreased and amounted to 2.64, the company has a stable financial situation.

Let's assess the financial situation from the point of view of liquidity for 2 years of SE AF "Magarach":

$$F12007 = (241 + 0.5 * 18930 + 0.3 * 0) / (653 + 0.5 * 6725 + 0.3 * 1233) = 2.21$$

$$Fл2008 = (118+0,5*21051+0,3*0)/(666+0,5*7759+0,3*3324)=1,92$$

The overall liquidity ratio tells the State Enterprise AF "Magarach" about a stable financial situation.

Let's assess the financial situation in terms of liquidity for 2 years of Massandra NPJSC :

$$F12007 = (6132 + 0.5 * 105782 + 0.3 * 300) / (3111 + 0.5 * 10548 + 0.3 * 3029) = 6.36$$

$$Fл2008 = (3022+0,5*129295+0,3*0)/(3448+0,5*16126+0,3*4556)=5,25$$

The overall liquidity indicator indicates a stable financial situation.

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