

SECURITIES AS AN OBJECT OF INVESTMENT ON WORLD STOCK MARKET

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In conditions of economic relations globalization the strategy of successful business foresees the presence and active competitive struggle for capital recourses which have the lowest price in the world financial market. That's why international investment activity increases its importance to receive high profits. Among different types of investment activity the international investment activity with securities is detached and has a great importance.

International investment actions with securities foresee the realization of investments into financial instruments which circulate in different sectors of international financial market – monetary and capital market [1, 2]. The participants use different financial instruments to actualize dealings in international investment market.

Financial instruments are various forms of short-term and long-term investments as a rule in the form of securities the trade of these instruments is realized on investment market. Financial instruments are considered to be one of the most important elements and investment objects of the market using the capital flow from one owner to the other or from a country to a country.

Today there are a lot of definitions of the economic term «securities». So W. Sharp identifies securities as the document of right to receive profits in future admitted by law [2]. O. Rogach underlines that securities are the instruments of capital investment which can be pecuniary obligations or provide the right of ownership in a company as a stockholder [1]. Other group of economists consider the securities to be the documents of strict and special form with necessary requisites which testify mone-

tary or other property rights, determine emitter's relations (a person who places the securities) and the owner (a person who buys the securities), foresee discharge of an obligation according to the placement conditions, and also the possibility of transfer of the rights to other people being assigned in the documents.

Our point of view is that the definitions of «securities» have some common and similar meanings:

- the securities have financial, legal and documentary character which means the nascence of relations between the emitter and owner during emitting and circulation of particular type of securities:

- the securities give the owner the right to manage the enterprise or receive some payments (dividends);

- the securities can be the objects of «sell – buy» trade and other bargaining;

- the securities require to discharge an obligation according to the placement conditions which satisfy both the emitter and owner.

Having analyzed a lot of different definitions of the term «securities» we offer own definition: the securities are the type of financial and monetary document which testify the property right of the person who has emitted the securities (emitter) or the loan relations of document's owner toward the emitter and also the financial instrument which give the holder the right to receive some payments (dividends) circulating on the market. In contemporary scientific literature there are a lot of different classifications of securities by different characteristics (fig. 1).

Thus the securities as the instruments of financial market are considered to be the documents which testify the right of property or loan relations, can circulate in a market independently and be the object of «sell – buy» trade and other bargaining, acts as a type of capital.

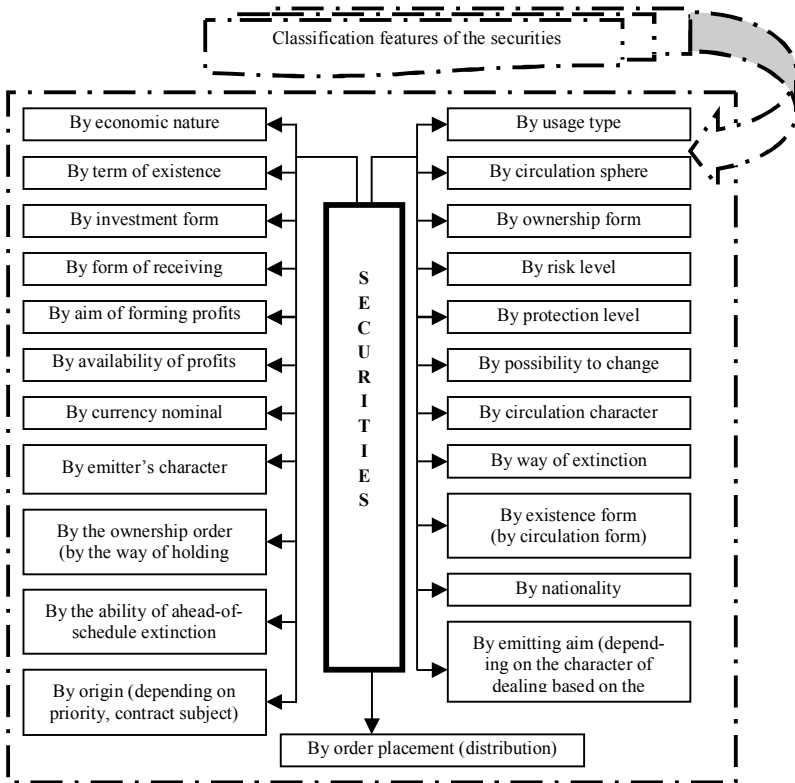


Fig. 1. The main classification features of the securities

Having analyzed many scientific sources it's necessary to underline that the spread range of types and subspecies of securities which are emitted and circulated on separate market segments is explained by the great number of reasons encouraging the floating of shares and buying these securities [1, 2].

It's necessary to define that the securities as financial instruments have specific functions and issues pertaining to the securities and appearing during the process of flow of capital from a country to a country (fig. 2).

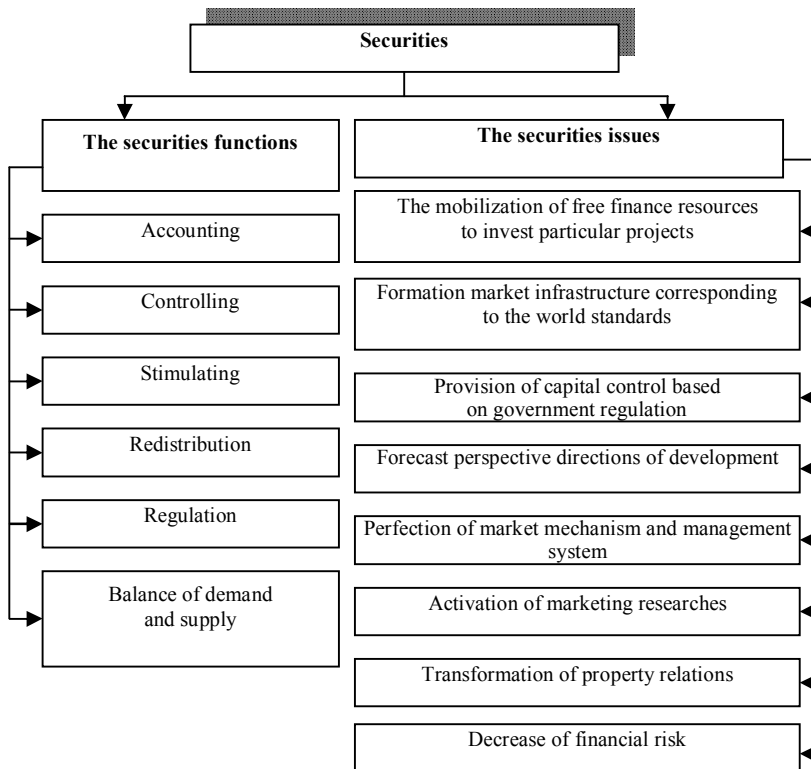


Fig. 2. The major functions and issues of securities

Thus it was investigated the spread range of types and subspecies of securities which are emitted and circulated on separate market segments is explained by the great number of reasons encouraging the floating of shares and buying these securities.

Перелік посилань:

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