

5. Completion set of basic and additional services.

Completion set of basic and additional services allows more flexibility to consider various demands of consumers. Additional services often act as organizational or informational supplement. If the goods can be sold without reinforcement, the provision of basic services in most cases requires reinforcement in the form of additional services. Latitude and rationality of additional services have a significant impact on consumer perception of quality basic services: more extras performer offers, higher assesses the quality of the consumer, even if he does not take advantage of all the services offered. [2, p. 38]

6. The physical environment.

The physical environment is a very important factor for the success of enterprise services, especially for those businesses that provide personal services for which it is obligatory presence of the client. Physical environment - a service environment, in interior of the house, in which the provision of services, car parking, landscaping, furniture and equipment, lighting, temperature, noise level in the room, cleanliness, sound design, landscaping and so on. [4, p. 22]. The physical environment must be designed to meet the requirements and needs of your staff and be focused on a target group of consumers. The consumer cannot assess the absolute quality. Assessment is shown in the comparison of competing service firm's services. As a consumer initially determined by availability of components of quality, both in service and the physical environment where the service is provided. And then these indicators assess the relative quality of services.

Conclusion. Improving the quality of service is the basis for the price increase. On the other hand, the quality is a complex concept that fully characterizes the efficiency of the company and its management. It is very closely related to the cost on production services. Reasonable value for the price increase and additional costs associated with this are very important for business. The analysis indicates that the cost of quality can be a part of the profit. Even a slight increase in the total cost of production and promotion services will help increase profits, and policy of the company is initially focused on high quality service Market differentiated service that enables compete not only due to the quality of services provided, but due to price range of basic and additional services for different consumer groups. In this ever-changing needs occurring in each group: consumers are becoming more demanding of quality and bid price for the services provided, as well as their range. To achieve the quality objectives, management has to create the structure of the quality system that will ensure efficient management, evaluation and improvement of quality of services at all stages of their provision.

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GAME THEORY IN FINANCIAL PRACTICE OF BUSINESSES

Relevance: The necessity of quantitative analysis of financial and economic situations in terms of uncertainty and made on their basis managerial decisions has stipulated the use of specific econometrical

methods. These methods allow to find quantitative characteristics of economic processes, to make more profound conclusions and have certain advantages compared to other methods.

Aim: To find an efficient econometrical tool for strategic decision-making of business entities.

Objectives: To determine the concept of game theory as the tool of financial management; justification of managerial strategic decisions' influence on business value; to find potential areas of application of game theory in financial practice of companies.

Core study: While planning its activity businesses face the problem of administrative decisions-making which directly or indirectly affects financial indicators. Along with this, the final aim of financial management is to maximize value of the business in form of current and future income increase, growth of the market price of shares and competitiveness of company.

It should be noted that the business future value is closely related to the managerial decisions of company in current periods. In this case it comes to the strategic decisions which can relate to cooperation issues with the partners, competitors and authorities. In this case business entities feel the necessity of efficient tool based on econometric analysis, which enables to make decisions that will optimize the strategic and operational activity of the company. Game theory is one of such tools.

Modern science does not have a unique approach to determine the game theory as an econometric tool for modeling situations in the area of financial management. There are a lot of definitions of game theory and its main tasks in contemporary scientific literature. However, among the majority of studies the following determinations, which characterize the base of game theory research, should be highlighted: "Game theory is the theory of rational behavior of people with divergent interests" (Aumann, 1989); "Game theory – is the science of strategic thinking" (Dixit, Nelebuff, 1991).

Along with that, from the point of view of financial management, the most profound definition, which emphasizes the role of game theory in economic modeling, is the following: "The essence of game theory consists in helping economists to understand and forecast things, which occur in economic context" (Kreps, 1990). If to orientate on economic context, it should be mentioned that it comes to the whole multidirectional economic issues, which include the possibility to use game-theoretical methods. For instance, on macro level it is the models of trading process (auction models). On an intermediate level game-theoretical models can be determined as models of behavior of companies on markets of factors of production. Namely, game-theoretical models arise in terms of different problems inside the company. [1]

Generally, we can agree upon game theory being an econometrical tool for modeling the process of coordination of the parties. Its essence consists of the establishment of optimal strategy of behavior in conflicts, which may occur during different economic problems solving (producer-consumer relations, trading and business competition). [2]

When shifting cogitations into the area of financial management, it should be mentioned that the problem of strategic decision-making (and as a result strategic behavior) constantly occurs for managers and investors of businesses. The professional activity of these specialists is connected to situations, when they have to make decisions on entering emerging markets, introduction of new products, pricing policy. In these cases specialists face not just uncertainty concerning main future conditions (such as prices, interest rates and incomes), but also uncertainty about the activity of other people (competitors, employees, suppliers and governmental agencies).

In this vein, the advantages of game theory in applied area are obvious. The formalized structure of game models forces every player to consider a potential activity of other players on market during the creation of their own strategy. Possessing such advantages, game theory becomes a powerful tool in financial decision-making.

The majority of scenarios, which occur in business world, can be modeled as dynamic games with the set of stages, on which one player can respond to the steps of his opponent. This causes a potential change of strategic aims on every step, basing on information available at defined moment. The practical discourse of this assertion was reviewed in the research of Ilhan Kubilay Geçkil and Patrick L. Anderson "Applied game theory and strategic behavior" (2010). Scientists analyzed a conflict, which had occurred on market of imported beer in the USA during the period from 1994 till 2004. [3]

According to initial conditions of research Grupo Modelo produces a number of brands of beer, the most popular of which is Corona. Before 1997 beer was imported in the USA by companies: Barton Beers, Ltd and Gambrinus company. These businesses imported beer of Modelo to the United States during more than 20 years by identical contracts. But while entering into a new agreement in 1996, the conditions of Barton's contract remained the same, while the contract for Gambrinus was changed for less beneficial.

The weak point of this game consisted in the dilemma of brewing company Modelo concerning disclosing or concealing the fact of changed conditions of the contract for the company and the influence of these decisions on the overall result of the game. Grupo Modelo had different potential options of activity: investors in Modelo believed that the terms of the contract with the importer were a key factor, which determined a business activity and value of the company (shares price of Grupo Modelo as public company could sharply decrease if investors considered that the termination of agreement stop would stop the increase of income during the following years).

In order to understand the incentives, real activity and reaction of Grupo Modelo and Gambrinus, scientists created a game-theoretical model with different strategies and actions. By using the extended form of game interpretation we can analyze the strategic behavior of the players. (Fig. 1)

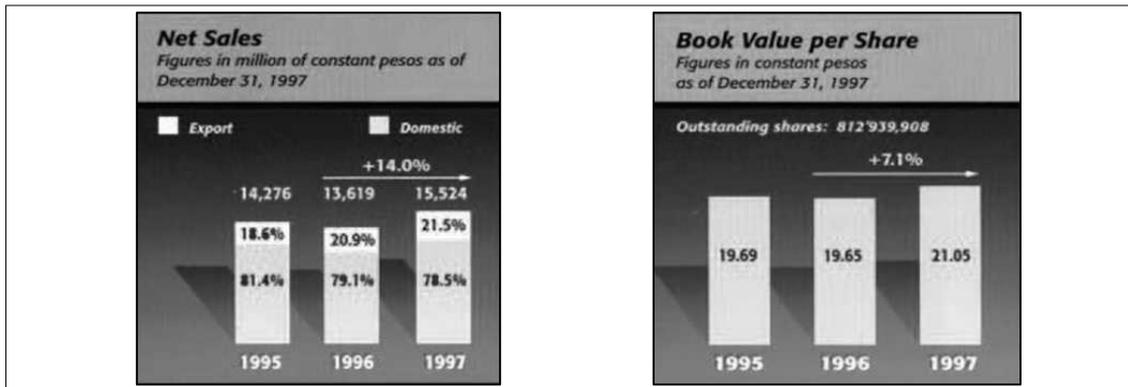


Figure 1. «Strategic options for Modelo and Gambrinus in 1996; extended form of game» [3]

After the analysis of this model we can conclude that the real case in relations between companies was not

an optimal result. Namely, when it comes to equilibrium result for both businesses, in this case Grupo Modelo should have chosen to disclose the difference in agreements and then to settle for cooperation in the future. Only in this case companies would have saved a strong partnership and their business as whole.

So from the point of econometric modeling companies hadn't had the optimal result. This could lead to decrease in financial indicators and in the value of business.

In order to clarify this situation we will analyze the financial statements and reports of Grupo Modelo from 1995 till 1997 (conflict period between Grupo Modelo and Gambrinus Company).

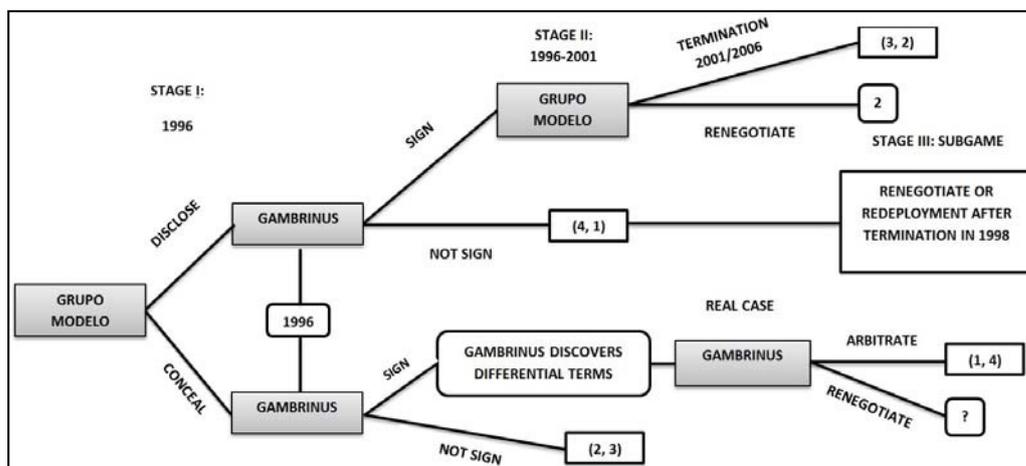


Figure 2. Net Sales and Book Value per Share of Grupo Modelo in 1995-97 [4]

As to analysts from Grupo Modelo, sub-optimal decision, made by senior management could have negative influence on company's investment attractiveness. When looking through Fig. 2, we can conclude that as on the 31st of December 1996 Net Sales of Grupo Modelo were 13 619 millions of Mexican peso, namely 4.6% less than in 1995 (14 276 millions of Mexican peso).

Concerning the indicator of Book Value per Share of Grupo Modelo (which is more important in terms of evaluation of investors response on conflict and following litigation with Gambrinus company), it should be noted that as on the 31st of December 1996 its value decreased by 0.21% from 19.69 to 19.65 Mexican pesos per share. Along with this, Income of Grupo Modelo per share as on the 31st of December 1996 decreased from 35.5 to 29.7 Mexican pesos, namely by 19.5%. [4]

It should be mentioned that as on the 31st of December 1997 the positive trend in company's development had recovered. As a consequence, subject to analyzed financial indicators, we can state that in 1996 company Grupo Modelo suffered financial losses, related to worse cooperation with partners and investors. Sub-optimal decisions of management could be the reason for this.

Concerning Gambrinus it should be mentioned that even after the renewal of import agreement in 1996 the company was developing efficiently. In 1997 the products of Modelo represented 69% from all products of Gambrinus. By 2003 this part increased and equaled 90%. This growth can be stipulated with the efficient sell of Modelo products during this period, and improvement of financial indicators caused by efficient actions of managers and supervisors, even under conditions of conflict.

The conducted analysis proves that the use of game theory is reasonable, as there is a strong relation between optimal (sub-optimal) management decisions and their influence on the financial indicators of companies. Respectively, we face the issue of potential application areas of game theory in financial management. Despite the fact that it is difficult to use game theory in a variety of situations, we can set up potential areas of practical application of game theory (Fig. 3).



Figure 3. Areas of application of game theory in financial management

Firstly, the most reasonably is to use game theory as an econometrical tool for solving disputes and modeling competition. In this case we can consider not only solving of litigation, but also a competition policy as a whole, answering the questions concerning the respond to competitors and steps for improvement of competitiveness of the company and its products on market.

Secondly, game theory can be an efficient tool for planning and forecasting future incomes, losses and financial indicators as a whole. However, when talking about forecasting, it should be mentioned, that game theory cannot give us a clear answer on question about future incomes or losses of a company. In this case it is advisable to use game theory in complex with other econometrical tools for modeling, such as Monte-Carlo method, which is a tool for “future modeling”, that gives the capability to evaluate the probability of onset of events.

Thirdly, we should mention the importance of application of game theory during dividends policy analysis. Dividends policy is directly connected with the profitability of the company, which has profound impact on the value of a business as whole. That's why in terms of the use of game theory for determining the most optimal dividends policy, analysts have the possibility to build up a complex game with all interested parties for which the decisions on paying (not paying) dividends can be a significant factor that affects business value.

Fourthly, game theory should be used during the process of business corporate reorganization. Subject to conducted researches, merge, separation and acquisition operations are significant factors of influence on the value of business, that is why the decisions on reorganization should be made with the maximum of mathematic on economic discourse. In this case we mean not only the increase of financial indicators of business entity, but also its potential to growth and develop the scale of production. That is why game theory can be an efficient tool of evaluating the potential and prospective development of a company.

Fifthly, one of the key areas of practical use of game theory in financial management can be financial controlling. Analysts of companies successfully use the tools of financial controlling such as Discriminant

function analysis, Benchmarking, Value-Based Management, ABC-, XYZ- and SWOT-analysis etc. However, game theory and its econometrical potential may become an additional source of objective managerial information, which is an essential part of financial controlling in the company.

Consequences: Game theory should be determined as an econometrical tool, which includes models and methods for optimal decision making in terms of conflict and uncertainty. Also, game theory incorporates the creation of concept of rational behavior of the player, which takes into account all available information for him and stipulates the choice of strategic parameters which lead to desirable result.

Results received through the application of the game theory in the practical situations are proved with financial indicators. Despite this fact, it is logically to highlight the main advantages of using game theory for modeling of behavior of business entities, namely: with the use of game theory, company receives the possibility to predict actions of its partners and competitors; game theory allows company to choose the "best option" from the variety of alternatives, which can be the best respond to actions of other players.

The main difficulties and disadvantages of application of game theory during financial decision-making are asymmetric information, limited range of use and, as a result, difficulties in making managerial decisions.

There is a substitution in this research of perspective ways of game theory application as an econometric method of modeling for financial management.

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Methodological dualism as a problematic area of modernization of Russian education

Development of socio-economic relations in the post-industrial period, the reform of which determine the socio-economic transition of the system from technological to socio-cultural paradigm, associated with the increasing role of education as a major hub of the formation of the human factor "smart" economy. Educational institutions are creating new competencies implement them in the process of forming a highly skilled workforce and creative elements of human capital, ensuring the competitiveness of the various types of entities economic space of Russia.

In the scientific world recognizes the fact that a major impact on the development of education has the dual nature of the socio-economic relations, due, on the one hand, educational services belonging to the state-guaranteed social component, characterized by specific institutional constraints of qualitative parameters of the use of resources and factors of production, as well as the profitability of services, on the other hand, the participation of these resources, the factors themselves and educational services in the market turnover[1-4]. And also the fact is that the reform of Russian education is long and controversial, accompanied by "institutional traps"[5], the results of which do not have the desired impact on improving the competitiveness of qualifications.