Table 1

THE COST OF INNOVATION IN THE AGGREGATE AMOUNT OF SALES IN 2016

№	Countries	Costs innovation, %
1	Germany	3,4
2	South Korea	4,9
3	Canada	5,7
4	Sweden	6,9
5	Ukraine	1,2

The defining trends of innovation financing in Ukraine is the limited financial resources of its own subjects and sources of funds. The key sources of innovation financing are own funds and borrowed funds. The absolute volume of business spending on innovation by self ranged from 7.96 billion USD (2007) to 4.78 billion USD (2010), 6.97 billion USD (2013) 7.1 billion. USD. (2015).

According to the State Statistics Service of Ukraine in 2015 of innovative activity in the industry involved 824 enterprises, or 17.3% of the surveyed industry. In terms of economic activities should be highlighted, in particular, companies producing computers, electronic and optical products 37.5% (in 2014 - 34.0%).

Expensive credit for industry was profitable enterprise is insolvent borrowers, which attract long-term financing for innovative activity are virtually inaccessible.

State support of innovative activity in Ukraine carried out in various forms - direct budget financing and a favorable credit, tax and customs policy, the creation of specialized state (municipal) innovative financial institutions, state guarantees to commercial banks that are lending to priority projects and more innovative.

Financial innovation in the form of structured financial instruments have a complex structure. They are the most at risk and able to hedge it. This is their contradictions. Such financial innovation as the end product of implementing innovative solutions to meet specific client objectives. For their development specialists involved in various areas of finance.

Further improvement of risk management on the basis of financial innovation and innovation in banking institutions is proposed through the development of: Principles and criteria for the identification and risk assessment strategy of innovative development and banking risks within the financial impact of innovation and innovative banking risks; Methods of forecasting and modeling risk situations related to innovation activities, evaluation and analysis of their implications for the adoption of the most effective measures for their prevention and elimination; Monitoring methods and innovative risk management according to the accepted uniform risk management; Principles of involvement and coordination staff in the management of innovation risk, including definition of competencies for specific officials and information links between them.

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BEHAVIOR ASPECTS OF TAX EVASION: THE CASE OF UKRAINE

Tax evasion is the one of the main problems in the Ukrainian economy. This problem has very clear ethical features. Tax evasion limits government funding of public services, such as education, health care, culture, social security etc. The ethical side of this problem has different features. For example, tax evaders can receive public services with no limits. Another problem is that habitual tax evasion can become part of national culture, developing further into being irresponsible for other obligations.

For more than 20 years different Ukrainian governments have tried to resolve this problem using different economic instruments. At times governments were successful in decreasing the size of tax evasion. Even these small successes did not last long. It is difficult to fully comprehend the scale of tax evasion in Ukraine, because of the size of its shadow economy. It is necessary to understand what can motivate taxpayers to evade taxes and how to prevent this situation. The methodology of behavior economics can be used to answer this question. Behavior economics and finance can help to investigate economic problems from a psychological point of view. Tax evasion is not an objective phenomenon; this is the result of taxpayers' subjective decisions.

At different times there have been attempts to explain the reasons for tax evasion using various theories. Neoclassical economic theory also disregarded this problem. A theoretical basis foundation for further research in this area was the discounted utility model that was established by Paul Samuelson in 1937 and has received over time axiomatic interpretation in the studies of T. Koopmans [1]. Many scholars tried to explain individuals refusal to pay taxes from the intertemporal choice theory point of view. According to this theory, an individual makes decisions and evaluates the potential benefits and losses over different periods of time. This is why E. Bem-Baverck, I. Fisher, P. Samuelson and others paid attention to the problem of the theoretical analysis of factors which impact an economic agent's behavior in the case when the result of that decision is known in the future. In Ukraine, many decisions in tax legislation reform were made without taking into account psychological approaches. This is why examples of fiscal policy effective in foreign nations did not work in Ukraine.

One of the main motives for individuals making a decision is risk. Prospect theory is one of the most common theories of choice under risk [2]. The popularity of this model is explained by its successful testing using real data, namely the disposition effect, equity premium puzzle, the price elasticity of asymmetry, the perception that nothing bad can happen, revaluation losses, and possible gains. Tax evasion is also a choice, and when making this choice, individuals have more than two alternatives (pay or not pay taxes legally). The main problem for Ukrainian economists in this case is a lack of information to estimate the real size of tax evasion and evaluate the possible aftereffects if something is changed in tax legislation. Actually, they do not have enough information to estimate potential gains and losses. More than that, Ukrainian tax evaders are not sure that they will be punished by tax officials because it is possible to pay a bribe and likely avoid prosecution. So, non-payment of taxes can look more preferable for taxpayers even if the government increases the size of penalty.

It must be taken into account that economic determinants are not dominating when tax payers make a choice to pay or not pay taxes. This is why changing tax rates and tax bases will not help to reduce tax evasion. Also, Ukrainians are not a nation of citizens unwilling by character to pay taxes. The main problem is indeed ethical, but lies at the feet of a government, no matter which party is in power, unwilling to function in a trustworthy manner. From our point of view, the first step to decrease the level of tax evasion is to force the government to work for society (not for those in power at any one moment), to reduce corruption, to establish just rule of law over all.

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