Threat to economy doesn't measure up to calamity of 2008 [USA Today, 11.03.2020].

Furthermore, the U.S. and China engaged in a trade war in January, countries imposed tariffs on hundreds of billions of dollars worth on one another's goods:

US, China sign deal in break in trade war [USA Today, 16.01.2020].

Nevertheless, it must be noted that China reduced tariffs on $75 billion worth of American-made goods in February:

China cuts tariffs on $75 billion in US imports [USA Today, 07.02.2020].

In conclusion, apart from an economic conflict between U.S. and China in January, the economies of both countries were severely affected by the outbreak of coronavirus. Although China was the first hit by virus, it controlled the disease through swift and strict actions, as a result, avoided an economic recession in 2020. The U.S. economy, by contrast, was hit hard by the coronavirus epidemic.

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METHODS OF IDENTIFYING SIGNS OF INDUSTRIAL AND FINANCIAL CRISIS

One of the modern models for forecasting the production and financial crisis is stochastic systems for simulating the emergence of insolvency and bankruptcy.

To diagnose the crisis of enterprise development automated diagnostic systems should be widely used – special software products used to calculate individual indicators and interpret them on the basis of special (built-in or debugged) methods of enterprise and assess the threat of bankruptcy.

In a crisis situation, management needs to mobilize all the capabilities of the enterprise and focus on their implementation.

One of the modern models for forecasting the production and financial crisis is stochastic systems for simulating the emergence of insolvency and bankruptcy.

As you know, the performance of the enterprise is formed by chance under the influence of many factors of internal and external environment.

This makes it expedient to supplement the tools for assessing the probability of bankruptcy of the enterprise by the method of stochastic computer modeling (Monte Carlo method).

The expected balance of cash and the degree of its fluctuation based on the results of computer simulation makes it possible to assess the probability of obtaining a solvency deficit, and accordingly – the probability of bankruptcy.

Diagnosis of the crisis and detection of the threat of bankruptcy on the basis of the use of financial ratios involves: the formation of a system of evaluation indicators; calculation of their value, horizontal, comparative and reference analysis.

Coefficients-indicators of crisis phenomena are classified according to the following features: depending on the information support of the calculation (indicators of express and in-depth diagnostics), depending on the functional direction (indicators characterizing solvency, capital structure, business activity and profitability), depending on functionality current and future threat of bankruptcy).

Matrix models for identifying the state of the enterprise, developed in the works of French researchers Franchon and Romane (involving the construction of a diagnostic matrix, each square of which is characterized by a certain ratio of economic and financial performance of the enterprise or calculated valuation units) are also widely recognized depending on the current location of the enterprise within the matrix and retrospective analysis of location change (path analysis).

Rating models for diagnosing financial condition and the threat of bankruptcy are another form of creating an easy-to-use system of generalized assessment of various characteristics of the object of assessment, which are important for determining the presence and depth of the crisis of its development.

Expert methods of diagnosing the crisis and the threat of bankruptcy involve the use for the formation of a diagnostic conclusion not quantitative but qualitative indicators that characterize the state of the enterprise, its resources, quality of management and more.

The existing variety of these systems allows us to classify them depending on autonomy (autonomous, completed), the presence of the function of generalizing the conclusion (calculated, intelligent), user participation in the formation of the generalized conclusion (closed, open).

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