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ANALYSIS OF FINANCING OF VENTURE COMPANIES FROM ACCOUNTING PERSPECTIVE

The article deals with the analysis of venture financing of companies from the accounting perspective. The trend of growing demand for venture financing in the developed countries as well as Ukraine was revealed. The demand for venture financing in Ukraine will grow as fast as the economy will transit to the innovative development. It was found that the level of innovative activity heavily depends on the availability of venture financing. It means that venture financing has great importance for innovations and new technologies being commercialized. Developing and addressing issues of accounting for venture financing will be a milestone of the progressing venture industry in Ukraine. Therefore, the article offers the concept of venture financing, pointing out its distinguishing features impacting the whole system of accounting in comparison to other sources of investments. Among those distinguishing features are long-run, orientations on fast-growing start-ups, business idea as their main asset, absence of credit rates,

many phases of financing, variety of modes: common stocks, preference shares, contributions to the authorized capital, credit or hybrid instrument, high expectations of commercial results, growing profitability and stable relations with R&D activity. The main advantages of venture financing for investors are described. The most important advantage is that venture financing is always available even if other sources of financing are closed. Companies receive assistance of professional venture investors in managing venture performance. Venture financing improves the company's image and makes it easy to gain financial resources from other investors. It was revealed that venture companies are mainly established as small and medium business units since they mostly fit interests of venture investors. In turn, venture investors finance such companies because of their growing value and market price, which justifies that the income gained by investors is equal to their risks especially in production and innovation domains.