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# SMALL BUSINESSES CREDITWORTHINESS ASSESSMENT

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### **Summary:**

*The article is devoted to the problem of a choice of businesses' creditworthiness estimation method, criteria of creditworthiness, defining the ways of its estimation based on a system of financial ratios (financial stability, cash flow analysis, business risk etc.) The main attention is paid to small businesses (SB) creditworthiness assessment and a choice of financial ratios, considering credit policy of a bank and operating conditions of SB. For an assessment of SB creditworthiness the authors single out five groups of ratios including liquidity rates, efficiency, financial leverage, profitability and debt servicing. Research of commercial banks experience allowed choosing business risk as an assessment of a client's credit worthiness. The authors focus attention on business risk factors; offer their grouping on stages of funds circulation and SB creditworthiness analysis procedure as follows: carrying out the general analysis of a business and its rating assessment - definition of a credit worthiness class.*

### **Keywords:**

credit worthiness, solvency, financial stability, credit worthiness criteria, business risk factors, scoring credit worthiness assessment, rating assessment



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