Analysis of Financial Investment Risk in Enterprise Financial Management

Weimei Chu

1Shandong Vocational College of Science and Technology, Weifang, Shandong 261053, China
*Corresponding author. Email: 15169557189@163.com

ABSTRACT
At present, there are more and more investment participants in the financial investment market. Therefore, the development speed of the financial investment industry is getting faster and faster. However, it is precise because of the continuous changes in the types and numbers of investment entities that some enterprises that lack credit and do not meet the investment qualifications are mixed in. This brings more significant risks to other investment companies. At the same time, it is not conducive to effective corporate financial management. Besides, in the process of financial investment, corporate personnel face greater risks due to lack of risk awareness. Therefore, this article analyzes the financial investment risks in corporate financial management and proposes effective countermeasures.

Keywords: Financial management, financial investment, countermeasures

1. INTRODUCTION
At present, China is in the stage of transformation and upgrading of the rapid rise of the tertiary industry. The overall social market economy will show different development vitality in the past. For financial investment companies, strengthening investment risk management is still an urgent problem to be solved. At present, investment risks in China's financial investment market are mainly manifested in credit risk and market risk [1]. However, investment companies can still use methods such as strengthening the risk prevention awareness of investment managers and adopting investment risk transfer to reduce investment risk losses.

In the financial management of enterprises, financial investment is an essential financial activity. In the process of financial investment, it will be affected by uncertain factors in the market. Coupled with the possible deviation of subjective judgment ability, it will increase the risk and affect the regular operation of the enterprise. For this reason, companies need to pay attention to investment activities and scientifically analyze various factors that affect financial investment. From the level of financial management, workforce is used to improve the ability of risk aversion, and then to ensure the smooth development of business operations.

2. CONCEPTS RELATED TO INVESTMENT RISK
The financial investment of an enterprise refers to the investment behaviour of financial transactions related to the enterprise in the financial market. The financial investment risk of an enterprise refers to the judgment that there is uncertainty about the future income of investment activities in the process of carrying out specific investment activities [2]. The existence of these uncertain factors is accompanied by certain risks. The risk of monetary investment runs through the entire process of financial investment. Under the influence of steadily financial system and market uncertainties, enterprises will be affected by many uncontrollable factors in the process of carrying out financial investment activities [3]. These factors hinder the normal business activities of enterprises. To this end, companies need to pay attention to risk management and improve their ability to identify and prevent risks.

3. PROBLEMS IN OPERATIONAL RISKS OF FINANCIAL INVESTMENT

3.1. Lack of Risk Management Awareness
Financial investment originated in western capitalist countries. Due to the earlier financial development of capitalist countries, people's demand for capital is
increasing. As a result, physical investment gradually occurred [4]. However, after entering the era of commodity economy, new economic forms such as the shareholding system have gradually received the love of capitalists. Thereby deriving bank credit, bonds, stocks and other capital investment methods. The emergence of bonds and stocks also gave greater impetus to the development of capitalist society. Due to the late development of China's financial investment, although there are currently a variety of financial investment products, Chinese companies still have insufficient financial investment risk management measures. Especially for some investment companies, the current economic laws related to financial investment are not perfect. This makes it difficult to avoid investment risks in the investment process. Due to the rapid development of information technology in China in recent years, the types of investment products in the financial industry have gradually become diversified. Although this can meet the needs of investment consumers in the investment market. But it is precisely because of the diversification of types that some investment consumers have become a little blind. Many investors are increasingly divorced from rational investment [5]. This creates hidden dangers for their own corporate investment risks.

Besides, for banks that issue financial investment loans. In particular, most of the commercial banks in China, because the main purpose of commercial banks is to maximize efficiency, which makes commercial banks regularly extend loans [6]. Due to the diversification of investment entities in China, some companies that do not meet the legal qualifications for financial investment have also mixed into the vast financial investment market. These unlawful investors obtain large amounts of commercial loans from commercial banks through forged qualifications or other illegal means. However, because they do not have sufficient loan capital repayment ability, commercial banks will bear more significant loan risks. At the same time, it will reduce the social reputation of the entire investment industry, which is not conducive to the sound development of financial investment enterprises [7].

3.2. High Market Risk

At present, credit investment has become the mainstream financial investment method. This allows various commercial entities to independently participate in the investment market. These commercial entities not only seek loan opportunities from commercial banks, but also seek investment opportunities from other lending institutions or enterprises. However, the investment market will be subject to the unified policy of the Chinese government. This will directly affect the cyclical changes of financial investment enterprises. Moreover, investment income and investment risk have a mutual relationship [8]. Judging from the current types of investment market risks, they are mainly manifested in the dividend yield, equity, and exchange rate. Therefore, investment market risk is also called price risk. Since financial instruments themselves have specific market prices, the prices of these financial instruments themselves will also change as the rhythm of the market changes. This shows that there are varying degrees of market risk hidden in the changes. If strict preventive measures are not taken, it will not only affect the fundamental interests of commercial banks, but also directly affect the investment income of enterprises. This is not conducive to their own sustainable development. Besides, there are problems with poor performance and low professional standards of traders in investment companies. This will affect the accurate assessment of risk assessors, leading to internal market risks [9].

3.3. Operational Risk is Greater

In the risk management of financial investment enterprises, due to the influence of various objective and subjective factors, the entire financial investment enterprises are less enthusiastic about risk management [10]. Especially for companies that excessively pursue investment benefits, the management methods for investment risks are often embodied on the surface. In fact, these companies still did not fully consider the risk and chose the risky behavior of massive investment. This will bury deep hidden dangers for subsequent corporate bankruptcy or capital chain breaks. Besides, some financial management departments in the financial investment market often do not pay enough attention to personnel management. In particular, +awed attention is paid to the professional qualifications of managers. Besides, most of the current financial risk managers are highly educated, but have less practical management experience. This also reflects the lack of professionalism in the practical sense of talent. Moreover, in some financial investment institutions, due to the unclear authority and imperfect management process, this makes it difficult to carry out pragmatic and effective financial investment management.

3.4. The Control Mechanism is not Perfect

When enterprises make financial investment decisions, the inadequate risk investment mechanism is an important factor affecting their returns. Investment risk runs through the entire process of investment activities. In the process of financial investment, risks will be affected by many uncertain factors. Once a risk occurs, it will bring huge losses to the enterprise, and even directly shake the normal operation of the enterprise. In practice, there are many companies whose financial investment risk control mechanisms are not
4. COUNTERMEASURES

4.1. Improve Risk Awareness

As mentioned in the previous question, some financial industry investment managers lack practical experience. This shows that it is necessary to raise the risk prevention awareness of the employees in the unit. Then it can be strengthened from the following four aspects.

First, the investment management personnel within the unit are required to be familiar with the unit’s business processes and systems. When you are familiar, you must first use paper-based, information-based methods to efficiently complete browsing and reading tasks. Then follow the procedure learned several times in advance. Only in this way can we find out where our business problems lie based on the combination of practical theory. Only in this way can we make improvements in a timely manner. And in order to avoid the problem of forgotten and omission in daily work, the complete business process can be recorded on the sticky note. Then paste it on your work post so that you can watch and learn at any time. Besides, in order to strengthen the understanding of the financial investment risk management system within the unit, it is necessary to always regard it as the standard requirement of its own practice ethics. Thereby improving their own awareness of financial investment operational risk prevention.

Second, we must change the original principle of pursuing work speed. The constant pursuit of work quality is the first principle in handling daily investment management business. In this way, the professional concept of managers can be gradually changed. Since the financial data of financial investment business is often complicated, it is necessary for investment managers to adopt the concept of excellence as the standard for handling daily review business. In this way, the accuracy of business data can be guaranteed to the greatest extent, thereby reducing the operational risks of financial investment.

Third, from an accounting perspective, original vouchers are an important financial basis for making, reviewing, and checking accounts. At the same time, original documents are also an important legal basis for economic disputes and investment management issues. This requires investment managers to use the principle of two clearing of goods to ensure that every subpoena in Nissan’s work has corresponding financial data. This is conducive to the subsequent review and reconciliation work. At the same time, in order to improve the efficiency of reviewing these data, investment managers can set up special counters for storage. This can not only improve its safety, but also improve its browsing efficiency.

Fourth, improve and innovate an attractive assessment system within the unit. Include daily compliance with the financial investment operation management system in the employee assessment. Then, at the end of each month, quarter, and year end of the experience exchange summary meeting, on the one hand, the investment management staff with excellent performance in the assessment will be given financial rewards, on the other hand, it is necessary to provide financial The problems are summarized. Then publicly criticize and correct them at the meeting and propose corresponding improvement measures. Thereby improving the enthusiasm of investment management staff. At the same time, it can improve the work quality of investment management staff.

4.2. Use of Risk Transfer Strategies

Risk transfer means that investors voluntarily invest in a certain financial investment product in the market. Or investors may transfer their own investment risks to others through cooperative organizations established with others. From the overview, it is obvious that risk transfer is not based on the one-way principle, but based on the contract signed between the two in advance. Then, the ability of both parties to bear risks is used as the criterion for the final risk-taking. In order to ensure that the interests of the two parties will remain within the principle of fairness in the process of risk transfer, it is necessary to transfer the risk to the risk-bearing party to pay a certain amount of risk-bearing expenses. The current risk transfer is mainly divided into financial and non-financial.

First, financial risk transfer is divided into insurance and non-insurance. The transfer of insurance investment risk mainly refers to the use of insurance companies as the object of hedging investment risks. By paying a certain insurance fee independently, the two parties then sign an insurance contract with fair and open legal effect. After the contract is signed, the investment risk
of the investor is transferred to the insurance company. If the investor once has the investment risk in the contract, then the investment company should bear all the investment risk losses stipulated in the contract accordingly. In this way, the investment risk of investors can be reduced to a large extent. For non-insurance investment risk transfer, it mainly refers to a third party that uses non-insurance intermediaries as investors to transfer risks. Through certain means and methods, reasonably transfer the investment risk of the investor to the enterprise that has commercial cooperation with the investor. From the formal point of view, non-insurance investment risk transfer has greater transfer risk. Although the three still need to be passed on by signing a risk transfer agreement, the guarantees among them need to be determined according to specific circumstances. Therefore, most investors are still willing to choose insurance investment risk transfer.

Second, the transfer of non-financial investment risk is similar to that of non-insurance investment. Both are in the form of borrowing a third-party intermediary through the investment risk of the investor. Then legally transfer the investment risk of the investor to other organizations or enterprises. And the three need to sign a legal agreement on the transfer of investment risk. In fact, there are many similarities between avoiding investment risks and transferring non-financial investment risks. But the biggest difference between the two is that non-financial investment risk transfer is to transfer the risk reasonably to a third party through outsourcing. Avoiding investment risks is the opposite, and there is no need for any of these three parties to bear investment risks. Therefore, it is necessary for investment companies to choose investment risk transfer strategies suitable for their own development. So as to minimize the loss of investment risks on itself.

5. CONCLUSION

In summary, although investment risk is a common problem in the operation of financial investment markets. However, in order to achieve the goal of maximizing the benefits of investment enterprises, it is still necessary to use a variety of methods to avoid investment risks. On the one hand, it can be used to strengthen the risk awareness among relevant personnel, so that investment companies can reduce the probability of investment risks from within. On the other hand, you can use your own investment risk transfer strategy, so that you can stop your own investment risks in time.

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