



## **Financial Factors in Ukraine's Machine-Building Industry Development**

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### **Keywords**

Economic Margin, Capital Cost, Machine-Building, Industry Development, Capital Structure.

### **Jel Classification**

G30.

### **Abstract**

Despite numerous government interventions, machine-building industry in Ukraine slowly declines since 2008. Many researchers claim it to be a result of high cost of capital within Ukraine. This article purposes to answer the question, how cost of capital influences development of Ukrainian machine-building enterprises. Twenty Ukrainian enterprises were selected and their data analyzed for the period from 2008 to 2014, using the value-oriented approach, namely, the method of Economic Margin (EM), adjusted to peculiarities of Ukrainian reporting practices. The research shows, that the cost of capital (CC) is not a determining factor for the stalled development of the machine-building enterprises in Ukraine.