

## **Analysis of the Reasons behind the Deteriorated Standing of Engineering Companies during the Financial Crisis**

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**Abstract :** In this paper, we discuss the deteriorated standing of engineering companies, some of the reasons behind it and the problems facing engineering enterprises during the financial crisis. We show the part that financial analysis plays in the detection of the main factors affecting the standing of a company, classify internal problems and the reasons influencing efficiency thereof. The publication contains the analysis of municipal engineering companies in post-Soviet transitional economies. In the wake of the 2008 world financial crisis the issue became even more poignant. It should be said though that even before the problem had been no less acute for some post-Soviet states caught up in a lengthy transitional period. The paper highlights shortcomings in the management of transportation companies, with new, more appropriate methods suggested. In analyzing the financial stability of a company, three elements need to be considered: current assets, investment policy and structural management of the funding sources leveraging the stability, should be focused on. Inappropriate management of the three may create certain financial problems, with timely and accurate detection thereof being an issue in terms of improved standing of an enterprise. In this connection, the publication contains a diagram reflecting the reasons behind the deteriorated financial standing of a company, as well as a flow chart thereof. The main reasons behind low profitability are also discussed.

**Keywords :** efficiency, financial management, financial analysis funding structure, financial sustainability, investment policy, profitability, solvency, working capital

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