

Discussion on Economic Risk and Prevention of Small and Medium Enterprises

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ABSTRACT: The term "small and medium-sized enterprises" refers to enterprises that are legally established within the territory of the People's Republic of China and have relatively small personnel and business scales. They are further divided into medium-sized enterprises, small enterprises, and micro enterprises based on indicators such as their employees, operating income, total assets, and industry characteristics. With a large number and wide distribution, small and medium-sized enterprises are an important carrier for implementing mass entrepreneurship and innovation. They play an irreplaceable role in increasing employment, promoting economic growth, technological innovation, and social harmony and stability, and have important strategic significance for national economic and social development.

KEYWORDS: Causes of financial risks, small and medium-sized enterprises, preventive measures

1 Types of economic risks for small and medium-sized enterprises

1.1 Funding Risk

The so-called financing risk refers to a series of financial risks generated by small and medium-sized enterprises in the financing process. In the early stages of development and expansion of small and medium-sized enterprises, financing activities are inevitable, while there are many uncertainties in the market and the development of small and medium-sized enterprises, which will generate certain financial risks. In the process of financing, small and medium-sized enterprises should grasp the general direction of market development and reduce the probability of financial risks.

1.2 Investment Risk

Investment risk refers to a series of financial risks generated by small and medium-sized enterprises during the investment process. Through the analysis of investment behavior, it is concluded that the investment risks of small and medium-sized enterprises mainly exist in the following aspects: first, the risk of investment project profitability[1]; The second is that although the investment project has no losses, its profits are too low, and its profit level is insufficient for the risk of bank deposit interest rates; Third, investment profits are lower than bank deposit rates. Small and medium-sized enterprises should carefully consider these three points in the investment process to prevent possible financial risks.

2. Causes of economic risks of small and medium-sized enterprises

2.1 Lack of risk awareness

For a long time, the operators and financial management personnel of Chinese enterprises have seriously lacked risk awareness and cannot fundamentally grasp the essence of risk. They believe that as long as they do a good job in the production and operation of enterprises, obtain a certain operating profit, and manage funds in production and operation activities, there will be no financial risk. Therefore, it can be said that weak risk awareness is one of the important reasons for financial risks.

2.2 Lack of foresight in investment decisions

There are a large number of subjective judgments in the management process, incomplete information on which financial management is

based, a lack of necessary understanding of investment entities and partners, and a lack of understanding of policies, regulations, and external environments directly related to their investment, which can easily lead to errors in enterprise investment decisions and bring financial risks to the enterprise[2].

3 Preventive measures for economic risks of small and medium-sized enterprises

3.1 Transforming business philosophy and strengthen risk awareness

Managers of small and medium-sized enterprises should be good at establishing a team of decision-makers with good style, understanding management, and strong technology, making full use of the power of the enterprise decision-making team, and enhancing the ability of small and medium-sized enterprises to prevent financial risks[3]; Attention should be paid to the enterprise's awareness of risk resistance at various financial stages, guiding the enterprise's employees to unite, organically combining enterprise development with employee personal development, and reducing the possibility of financial risks.

3.2 Improving the quality of financial and accounting personnel and enhance the ability to resist risks

A high-quality accounting talent team is an important prerequisite for the success of financial work in small and medium-sized enterprises, and also an important guarantee for the healthy development of small and medium-sized enterprises. An excellent financial personnel has a keen sense of smell and can avoid financial risks[4].

3.3 Strengthen the construction of information network technology

With the development of information network technology, traditional accounting methods have been unable to meet the needs of modern enterprise management and development. Digitalization, networking, and intelligence are no longer the business of a certain enterprise or industry, but the direction in which all industrial chains should strive to optimize[5]. Therefore, it is necessary to strengthen the construction of information network technology in small and medium-sized enterprises, cultivate the professional skills of accounting personnel in small and

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technology on students' learning behavior and learning outcomes. In order to explore in depth the application and practical effects of personalized teaching in distance education for college students, we also used in-depth interviews to select representative college students to explore aspects such as the practical application of personalized teaching in distance education, the impact on students' learning experience, and the problems and challenges that exist.

4 Analysis of results and opinions and suggestions

A total of 457 questionnaires were distributed in this study, and 450 valid questionnaires were returned, covering students from different colleges and majors in three universities in Zhengzhou. Through the data analysis of questionnaires and in-depth interviews, we found that new media technologies are widely used in distance education for college students. More than 90% of the interviewed students have used new media technologies for distance learning, and the most commonly used tools are online video courses and online learning platforms. We found that new media technology has a significant impact on distance education for college students, and the interviewed students believe that new media technology can improve the convenience, flexibility and interactivity of education and teaching, as well as enhance the effectiveness and efficiency of learning, and reduce the burden and pressure of learning. In conclusion, personalized teaching has been applied and recognized to a certain extent in distance education for college students. Although there are still some problems and challenges in personalized teaching, the interviewed students believe that it can meet the learning needs and interests of different students, improve learning interest and motivation, and also promote the interaction and communication between students and

teachers.

In response to the application and development trend of new media technology, schools should timely adjust the teaching mode and educational teaching content, and make full use of new media technology to improve teaching quality and students' learning effect. Meanwhile, in the practice of personalized teaching, more attention should be paid to students' individual needs and differentiated teaching, and different teaching methods and means should be used to meet students' learning needs and interests. At the macro level, schools should raise their awareness of and pay more attention to new media technology and personalized teaching, and strengthen the training and capacity of teachers to better adapt to the development of the times and the changes in education and teaching.

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medium-sized enterprises, continuously optimize modern enterprise management systems, scientifically control cash flow, explore financing models suitable for the long-term development of enterprises, and master new business operation models.

Conclusion

For a long time, some business operators in China have relied on "iron rice bowl" to firmly sit in the "iron chair" to run enterprises, with a weak sense of risk. They do not understand the various risks of running enterprises in a market economy. With the deepening of enterprise reform in China, managers of any enterprise must establish a strong sense of risk and overcome the old shortcomings of blindly following the trend and seeking fame in order to run a successful enterprise in the market economy. Economic risk is a major event that directly affects the survival of an enterprise. For enterprises that do not attach importance to risks or are unable to control risks, there may be frequent disturbances, risks that may arise, or even be eliminated. Only by continuously improving the management level, doing a good job in preventing business risks, and resolving various business risks can enterprises effectively avoid various losses and make their vitality longer and longer.

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