

конкурентних переваг і створення сприятливих умов у зовнішньоекономічній діяльності для вітчизняної економіки з використанням дипломатичних механізмів та інструментів.

Список літератури:

1. Луцишин З.О., Дікарев О.І. Енергетична дипломатія в п'ятимор'ї / З.О.Луцишин // Актуальні проблеми міжнародних відносин. - 2011. – Випуск 101. Частина II. – С.28-45
2. Пантелеев Е. Внешняя политика и инновационная дипломатия / Е.Пантелеев // Международная жизнь. –2012. – Декабрь. – С. 37-44
3. Фролов А. Военная дипломатия как история и искусство / Фролов А. // "Международная жизнь. – 2012. – Февраль. – С. 169-178
4. Белоусова Н.Б., Боклан О.В. Віртуальна дипломатія як знаряддя формування позитивного іміджу держави / Белоусова Н.Б. // Актуальні проблеми міжнародних відносин. - 2010. – Випуск 90. Частина II. – С.139-143
5. Сербіна Н.Ф., Кучмій О.П. Культурна дипломатія як інструмент зовнішньої політики сучасної європейської держави / Сербіна Н.Ф. // Актуальні проблеми міжнародних відносин. - 2011. – Випуск 100. Частина I. – С.122-131
6. Комерційна дипломатія: торговельна політика і право: Навч. посібник. Друге видання, доповнене і перероблене. – Львів: Астролябія, 2006. – 704 с.
7. Ігнат'єв П.М. Країнознавство. Країни Азії. – Чернівці: Книги-XXI, 2006. – 424 с.

Michal KRAJČÍK, Michal ŠOLTÉS

*Department of Banking and Investments, Faculty of Economics,
Technical University of Košice, Slovakia*

HEDGE FUND DEFINITION AND KEY TRENDS IN THE HEDGE FUND INDUSTRY

Term hedge fund is broadly used in investment and economical sources, but very often clear understanding of this term is missing. In our paper, we tried to define what term hedge fund means. To define this term we used specific characteristics of hedge funds. Based on our research, there are eleven fundamental characteristics of hedge funds, namely: accessibility for investors, regulation, legal form of business, domicile, fee structure, approach to risks and returns, investment strategies, leverage, short-selling, investment assets and lock-up period.

Based on these characteristics we defined hedge fund as an investment fund available to the limited group of accredited investors and focusing on absolute returns. Hedge fund may use a variety of investment strategies including the use of short-selling, leverage and financial derivatives. The fund has a special fee structure (20 % performance fee + 2 % management fee). Its control by regulators is limited and fund mainly acts as a limited partnership or as offshore company. Specific rules of hedge fund investing are existence of lock-up period and high water mark.

Hedge fund is one of the three biggest groups of investment funds. Other two related groups are mutual funds and private equity funds. Therefore, we created easy, two-step identification process of hedge fund inside the group of investment funds. If the investment fund is accessible to broad public, it is mutual fund. If the investment fund wants actively manage processes inside the invested company, it is private equity fund. Based on these assumptions, we can negatively define hedge fund as an investment fund which is not accessible to broad public and doesn't try to influence processes inside the invested company.

In our paper, we also defined key trends affecting hedge fund industry. Main trend is application of hedge fund investment strategies by funds offered to retail investors. Hedge funds gradually lose their comparative advantage in terms of unique strategies and tools used in investment process. This negative trend is highlighted by higher fees required by hedge funds in compare with retail investment funds. Also growing assets under management of hedge funds makes it more problematic to find additional alpha in the market and this trend causes decrease of profitability in the hedge fund industry. Last negative trend for hedge funds is increasing popularity of ETF funds and passive investment strategies.

Hedge funds must search for clients in new geographical areas, as Asia and other emerging markets. Special opportunity offers Chinese market with a growing number of rich individuals. Funds should also consider risk preferences of investors and environmental, social and governance requirements of regulatory bodies. Our overall conclusion is that small hedge funds with unique portfolio managers and flexible investment strategy which brings adequate returns in each market conditions will not have problem to survive.

Volodymyr ONYSCHUK

Corvinus University of Budapest, (Budapest, Hungary)

THE PROSPECTS OF E-COMMERCE DEVELOPMENT IN THE WORLD

Most likely the largest invention of our generation is the Internet. It makes our life much more simpler in education, in traveling and the most important in everyday business also. Electronic commerce is growing exponentially. In just five years, the Internet has grown from a network of 3 million predominantly US-based subscribers into a commercial mass medium with more than 100 million users worldwide. Traffic on the internet doubles every 100 days. Commerce conducted via the Internet is generally projected to grow in excess of US\$500 billion per annum in the next five years [1]. Electronic commerce is dramatically changing the way business is conducted. The rules of the traditional industrial economy are being changed into the new rules of the electronic economy.

The term e-business (from the internet-communication, data transmission, electronic procurement, financial transactions, auctions, the monitoring station) refers to a series of activities to be controlled through a digitized occurs through communication. E-business also means cooperation with business partners. Therefore, the business such as a transaction between the partners, or be perceived as a communication, in which the exchange of information takes place not physically, but electronically [2].

There are four main areas in which companies conduct business online today:

- Direct marketing, selling, and services.
- Online banking and billing.
- Secure distribution of information.
- Value-chain trading and corporate purchasing.

In 2015 worldwide business-to-consumer (B2C) ecommerce sales will increase by 20.1% to reach \$1.500 trillion. Growth will come primarily from the rapidly expanding online and mobile user bases in emerging markets, increases in commerce sales, advancing shipping and payment options, and the push into new international markets by major brands [3]. Beginning in 2016, China will overtake the US in spending. Massive gains in China, as well as in India and Indonesia, will push Asia-Pacific's growth ahead [1].

E-commerce has changed a lot of the ways that companies do business. But the e-commerce revolution has also made new rules necessary. This is not surprising. As with all new eras, advances in technology have forced businesses to evolve, creating new ways of doing business and new rules for conducting business.

Information and personalization are the key empowering attributes of a marketing business strategy on the Internet. The more customer intelligence you can build into your Web site, the better you'll be able to personalize it for specific customers.

People use the Internet for many different reasons, but the reason most often cited by consumers is "saving time." The rule of speed for online business impacts many areas, including:

- Clear and logical Web site design so consumers can find what they want quickly and easily;
- Small file sizes for photos and graphics so Web pages download faster;