

should be supported. Because both types of power are intermittent, storage technologies should also be priorities for government investment.

The rapidly changing landscape of energy-technology patents and manufacturing costs, exemplified by the rise of China in these areas, cautions nations and corporations to build experience quickly in these fast-moving markets. Such momentum is evident in the highly efficient assembly lines now running at Yingli Solar's headquarters in Baoding, China, and in petrol stations in Sweden that offer drivers a choice of natural gas, biofuels, diesel and petrol.

What is the nature and importance of the renewable energy in our country? Development and effective use of renewable energy sources has a fundamental importance since in the short term they represent the real potential of local fuel and energy resources that can be efficiently involved in the economy and favor the rise of the energy security of the country.

It is worth noting that the government of Belarus attaches high priority to renewable energy in its overall policy. The country has made certain achievements in this domain on the domestic front. At the same time, Belarus is keen to go to greater lengths in order to contribute to more vibrant co-operation in this area internationally. The Belarusian government has been favoring foreign investors lately, especially in such areas as renewable sources of energy. Such a conclusion may be drawn from the experience of specific foreign investors taking their first steps in Belarus. However, the government still has much room for improvement in this regard, and should provide the investors operating in the renewable energy sector with greater incentives, simplify the procedures for issuing planning permissions, for agreeing upon and issuing expert opinions on designs, connecting to the power grid, and improve the normative technical base. Development of the renewable energy sector is of particular importance for the Republic of Belarus.

#### References

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### STOCK MARKET

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The stock market. To some, it's a puzzle. To others, it's a source of profit and endless fascination. The stock market is the financial nerve center of any country. It reflects any change in the economy. It is sensitive to interest rates, inflation and political events. In a very real sense, it has its fingers on the pulse of the entire world. Taken in its broadest sense, the stock market is also a control center. It is the market place where businesses and governments come to raise money so that they can continue and expand their operations. It is the market place where giant businesses and institutions come to make and change their financial commitments. The stock market is also a place of individual opportunity.

The phrase “the stock market” means many things. In the narrowest sense, a stock market is a place where stocks are traded – that is bought and sold. The phrase “the stock market” is often used to refer to the biggest and most important stock market in the world.

We have said that common stocks are shares of ownership in corporations. A corporation is a separate legal entity that is responsible for its own debts and obligations. The individual owners of the corporation are not liable for the corporation's obligations. This concept, known as limited liability, has made possible the growth of giant corporations. It has allowed millions of stockholders to feel secure in their position as corporate owners. All that they have risked is what they paid for

their shares. A stockholder (owner) of a corporation has certain basic rights in proportion to the number of shares he or she owns. A stockholder has the right to vote for the election of directors, who control the company and appoint management. If the company makes profits and the directors decide to pay part of these profits to share-holders as dividends, a stockholder has a right to receive his proportionate share. And if the corporation is sold or liquidates, he has a right to his proportionate share of the proceeds.

What type of stocks can be found on stock exchanges? The question can be answered in different ways. One way is by industry groupings. There are companies in every industry, from aerospace to wholesale distributors. The oil and gas companies, telephone companies, computer companies, auto companies and electric utilities are among the biggest groupings in terms of total earnings and market value. Perhaps a more useful way to distinguish stocks is according to the qualities and values investors want. The phrase "growth stock" is widely used as a term to describe what many investors are looking for. People who are willing to take greater-than-average risks often invest in what is often called "high-growth" stocks—stocks of companies that are clearly growing much faster than average and where the stock commands a premium price in the market. The rationale is that the company's earnings will continue to grow rapidly for at least a few more years to a level that justifies the premium price. An investor should keep in mind that only a small minority of companies really succeed in making earnings grow rapidly and consistently over any long period. The potential rewards are high, but the stocks can drop in price at incredible rates when earnings don't grow as expected. For example, the companies in the video game industry boomed in the early 1980s, when it appeared that the whole world was about to turn into one vast video arcade. But when public interest shifted to personal computers, the companies found themselves stuck with hundreds of millions of dollars in video game inventories, and the stock collapsed.

There is less glamour, but also less risk, in what we will call—for lack of a better phrase — "moderate-growth" stocks. Typically, these might be stocks that do not sell at premium, but where it appears that the company's earnings will grow at a faster-than-average rate for its industry. The trick, of course, is in forecasting which companies really will show better-than-average growth; but even if the forecast is wrong, the risk should not be great, assuming that the price was fair to begin with. There's a broad category of stocks that has no particular name but that is attractive to many investors, especially those who prefer to stay on the conservative side. These are stocks of companies that are not glamorous, but that grow in line with the economy. Some examples are food companies, beverage companies, paper and packaging manufacturers, retail stores, and many companies in assorted consumer fields.

As long as the economy is healthy and growing, these companies are perfectly reasonable investments; and at certain times when everyone is interested in "glamour" stocks, these "non-glamour" issues may be neglected and available at bargain prices. Their growth may not be rapid, but it usually is reasonably consistent. Also, since these companies generally do not need to plow all their earnings back into the business, they tend to pay sizable dividends to their stockholders. In addition to the real growth that these companies achieve, their values should adjust upward over time in line with inflation—a general advantage of common stocks that is worth repeating. These are stocks of companies that do not show any clear growth trend, but where the stocks fluctuate in line with the business cycle (prosperity and recession) or some other recognizable pattern. Obviously, one can make money if he buys these near the bottom of a price cycle and sells near the top. But the bottoms and tops can be hard to recognize when they occur; and sometimes, when you think that a stock is near the bottom of a cycle, it may instead be in a process of long-term decline. There's a type of investment that professionals usually refer to as "special situations". These are cases where some particular corporate development—perhaps a merger, change of control, sale of property, etc.—seems likely to raise the value of a stock. Special situation investments may be less affected by general stock market movements than the average stock investment; but if the expected development doesn't occur, an investor may suffer a loss, sometimes sizable. Here the investor has to judge the odds of the expected development's actually coming to pass. A preferred stock is a

stock which bears some resemblances to a bond (see below). A preferred stock-holder is entitled to dividends at a specified rate, and these dividends must be paid before any dividends can be paid on the company's common stock. In most cases the preferred dividend is cumulative, which means that if it isn't paid in a given year, it is owed by the company to the preferred stockholder. If the corporation is sold or liquidates, the preferred stockholders have a claim on a certain portion of the assets ahead of the common stockholders. But while a bond is scheduled to be redeemed by the corporation on a certain "maturity" date, a preferred stock is ordinarily a permanent part of the corporation's capital structure. In exchange for receiving an assured dividend, the preferred stockholder generally does not share in the progress of the company; the preferred stock is only entitled to the fixed dividend and no more (except in a small minority of cases where the preferred stock is "participating" and receives higher dividends on some basis as the company's earnings grow). Many preferred stocks are listed for trading on the NYSE and other exchanges, but they are usually not priced very attractively for individual buyers. The reason is that for corporations desiring to invest for fixed income, preferred stocks carry a tax advantage over bonds. As a result, such corporations generally bid the prices of preferred stocks up above the price that would have to be paid for a bond providing the same income. For the individual buyer, a bond may often be a better buy.

Unlike a stock, a bond is evidence not of ownership, but of a loan to a company (or to a government, or to some other organization). It is a debt obligation. When you buy a corporate bond, you have bought a portion of a large loan, and your rights are those of a lender. You are entitled to interest payments at a specified rate, and to repayment of the full "face amount" of the bond on a specified date. The fixed interest payments are usually made semiannually. The quality of a corporate bond depends on the financial strength of the issuing corporation. Bonds are usually issued in units of \$1,000 or \$5,000, but bond prices are quoted on the basis of 100 as "par" value. A bond price of 96 means that a bond of \$1,000 face value is actually selling at \$960 and so on. Many corporate bonds are traded on the NYSE, and newspapers carry a separate daily table showing bond trading. The major trading in corporate bonds, however, takes place in large blocks of \$100,000 or more traded off the Exchange by brokers and dealers acting for their own account or for institutions.

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### **EARTH'S INFRARED RADIATION:**

#### **NEW RENEWABLE ENERGY FRONTIER IS TO TACKLED**

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The Earth continuously emits 100 million gigawatts of infrared heat into outer space. That is enough to power all of humanity many thousands of times over. Capturing even a fraction of that would mean an end to our energy woes. Researching solar energy is the energy derived from the sun through the form of solar radiation. Solar powered electrical generation relies on photovoltaics and heat engines. A partial list of other solar applications includes space heating and cooling through solar architecture, day lighting, solar hot water, solar cooking, and high temperature process heat for industrial purposes. The sun gives us enough power to light up the country, it is always there, and always will be there tomorrow. Why not use it since it is giving us all this energy every day. The sun produces the biggest deposit of renewable resources in the world, it would be a great