

# Practice and Research on Enterprise Financial Credit Risk

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**Abstract:** This paper aims to explore the management and practice of enterprise's financial credit risk. Through systematic literature review, theoretical analysis and empirical research, a set of financial credit risk assessment and prevention and control system suitable for modern enterprises is constructed. Based on the definition, theoretical basis and classification of credit risk, combined with quantitative and qualitative research methods, this paper deeply analyzes the financial credit risk of enterprises. Through the analysis of actual cases, this paper reveals the causes, impacts and prevention and control strategies of credit risk, which provides a useful reference for enterprise risk management. It is found that effective credit risk management can significantly improve the financial stability and market competitiveness of enterprises.

**Keywords:** Corporate finance; Credit risk; Risk management; Quantitative analysis; Qualitative analysis.

## 1. Introduction

### 1.1. Research Basis

With the in-depth development of market economy, the financial credit risk of enterprises has increasingly become an important factor affecting the stable operation and sustainable development of enterprises. Credit risk is not only related to the financing ability and debt repayment ability of enterprises, but also directly affects the market reputation and long-term development of enterprises. Therefore, it is of great significance to study the financial credit risk of enterprises in depth for improving their risk management level and market competitiveness.

### 1.2. Research Purpose

This paper aims to reveal the essential characteristics, influencing factors and prevention and control strategies of enterprise financial credit risk through systematic research, and provide theoretical basis and practical guidance for enterprise risk management. At the same time, this paper also hopes to verify the effectiveness of relevant theories through empirical research and provide useful reference for enterprise risk management practice.

### 1.3. Research Objectives

The research objectives of this paper mainly include: first, to clarify the definition and classification of enterprise financial credit risk; The second is to build an enterprise financial credit risk assessment model; The third is to analyze the causes and effects of enterprise financial credit risk; Fourth, put forward effective credit risk control strategies; The fifth is to verify the validity and practicability of relevant theories through empirical research.

## 2. Literature Review

### 2.1. Literature Retrieval Strategy

In the process of literature retrieval, this paper adopts various methods such as keyword search, subject search and citation search. By searching the key words of this article in

China HowNet, wanfang data, VIP Information and other well-known domestic academic databases, this paper has obtained many related documents. At the same time, this paper also refers to internationally renowned academic journals and conference papers to ensure the comprehensiveness and cutting-edge of the research.

### 2.2. Credit Risk Literature Review Framework Design

The literature review framework of this paper mainly includes the following aspects: first, the definition and classification of credit risk; The second is the theoretical basis of credit risk; Third, the causes and research methods of enterprise financial credit risk; Fourth, empirical research and case analysis of credit risk and prevention and control strategies; Fifth, the research results and discussion of credit risk. Through this framework, this paper systematically combs the research progress and achievements of corporate financial credit risk at home and abroad.

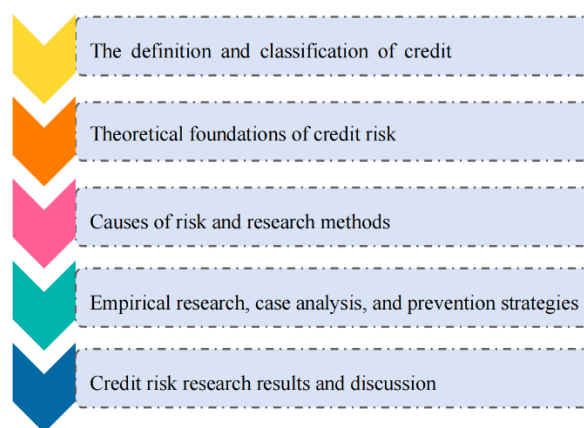


Figure 1. Content of Credit Risk Literature Framework Design

### 3. Concept and Theoretical Basis of Credit Risk Research

#### 3.1. Definition of Credit Risk

Credit risk refers to the risk that the creditor or the other party to the contract suffers economic losses because the borrower or the other party fails to perform the agreed debts or obligations. In the field of corporate finance, credit risk is mainly manifested in the economic loss and reputation damage faced by enterprises because they cannot repay their debts or fulfill their contractual obligations on time.

#### 3.2. Theoretical Basis of Credit Risk

The theoretical basis of credit risk is a complex and important system, which mainly includes capital structure theory, cash flow theory and capital asset pricing model. The capital structure theory focuses on the allocation relationship between corporate debt and equity, and advocates maximizing corporate value by optimizing the debt ratio. The cash flow theory emphasizes the key role of the dynamic balance of cash flow in the survival of enterprises. The capital asset pricing model guides enterprises to calculate the cost of equity capital by quantifying the system risk. These theories provide methodological support for enterprises to evaluate, manage and avoid credit risk.

First, the capital structure theory, as one of the cores of modern financial theory, deeply discusses how enterprises can optimize their capital structure through various financing methods in order to maximize the value of enterprises. This theory emphasizes the delicate balance between corporate debt and equity, and how this balance profoundly affects the credit risk of enterprises. Specifically, the capital structure theory analyzes the motivation and consequences of enterprises choosing different financing methods (such as debt financing and equity financing), and how these choices affect key financial indicators such as capital cost, shareholder return and financial leverage ratio. Among them, the balance between debt and equity is regarded as one of the key factors that determine the success or failure of enterprise capital structure optimization. Enterprises need to find the best balance between the tax shield effect brought by debt and the flexibility brought by equity to ensure the steady development of enterprises and the maximization of shareholders' interests.

In addition, the capital structure theory also deeply discusses the influence of this equilibrium state on the credit risk of enterprises. Although debt financing can reduce the capital cost of enterprises, it will also increase the financial risk and credit risk of enterprises. Although equity financing can reduce the financial risk of enterprises, it may also dilute shareholders' rights and control. Therefore, enterprises need to find an optimal balance between debt and equity in order to minimize credit risk and ensure the long-term stable development of enterprises.

Secondly, cash flow theory plays an important role in enterprise financial analysis, focusing on the influence of cash flow on credit risk. It believes that the cash flow of an enterprise is the key factor to determine whether it can repay its debts on time. Therefore, investors and creditors need to pay close attention to the cash flow of enterprises in order to evaluate their credit risk. The cash flow of an enterprise is one of the key factors to determine whether it can repay its debts on time and maintain stable operation.

Therefore, it is particularly necessary for investors and

creditors to pay close attention to the cash flow of enterprises. Through the detailed analysis of the cash flow statement of enterprises, we can know the cash inflow and outflow of enterprises, thus evaluating their solvency and credit risk level. This will not only help investors make wise investment decisions, but also provide creditors with a strong credit basis to ensure the safety and stable return of funds.

In addition, the capital asset pricing model plays a vital role in the field of financial investment, and it is an important part of the theoretical basis of credit risk. This model not only reveals the internal relationship between asset risk and expected return, but also provides an important tool for investors to evaluate asset credit risk scientifically and systematically.

Through the detailed quantitative analysis of the risk and expected return of assets, investors can understand the risk characteristics of assets more comprehensively and evaluate the credit risk level of assets more accurately. The application of this model enables investors to have a clearer and more accurate investment vision in the face of complex and changeable financial markets, to make more wise and stable investment decisions. The emergence of the capital asset pricing model undoubtedly provides investors with a more scientific and rational investment basis, which enables investors to better control and avoid credit risks and protect their own investment security and interests while pursuing investment returns.

To sum up, the theoretical basis of credit risk is a diversified system, covering a few important economic theories. These theories provide us with important tools and methods to deeply understand and evaluate credit risk.

#### 3.3. Credit Risk Classification

According to the different sources and forms of risk, the financial credit risk of an enterprise can be divided into the following categories: first, the risk of default, that is, the risk that the borrower or the counterparty fails to repay the debt or fulfill the contractual obligations on time; Second, market risk, that is, the risk that the asset value of an enterprise declines or the debt cost rises due to market price fluctuations; The third is liquidity risk, that is, the risk that an enterprise cannot repay its debts or meet its contractual obligations in time due to lack of funds.

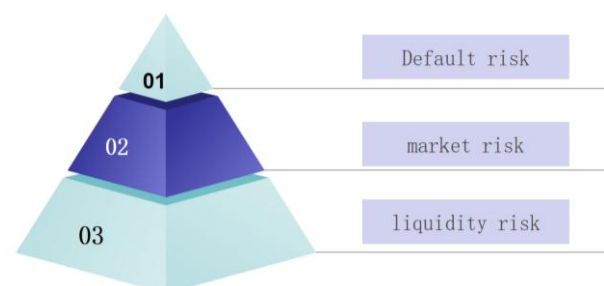


Figure 2. Classification of corporate financial credit risk

First, the risk of default refers to the risk that the borrower or debtor fails to fulfill its debt obligations on time, resulting in the creditor being unable to recover the principal and interest. This kind of risk is usually related to the borrower's credit status, repayment ability and guarantee measures. If the risk of default is high, investors may need to reduce the risk by raising interest rates or demanding stricter guarantee conditions.

Secondly, market risk refers to the risk that the value of investors' assets declines due to market fluctuations or

adverse changes. This kind of risk is usually related to macroeconomic environment, policy changes, market supply and demand relations and other factors. For example, the stock market decline and exchange rate fluctuations may bring market risks to investors. Therefore, investors need to pay close attention to market dynamics and adjust their portfolios in time to reduce market risks.

Finally, liquidity risk refers to the risk that investors can't make a deal at a reasonable price in time when they need to sell assets. This kind of risk is usually related to the market activity of assets, the number of investors and the trading mechanism. If the liquidity risk is high, investors may face the dilemma of not being able to sell assets in time or being forced to trade at a price lower than the market price. Therefore, investors need to choose assets with good liquidity to invest, and always pay attention to market changes in order to sell assets in time when necessary.

## **4. Causes and Research Methods of Credit Risk**

### **4.1. The Causes of Corporate Financial Credit Risk**

The causes of enterprise financial credit risk are various, involving many aspects of enterprise management. First, changes in the macroeconomic environment will directly or indirectly affect the financial credit of enterprises.

The fluctuation of economic cycle, policy adjustment, changes in market demand and other factors may lead to the instability of the financial situation of enterprises, and then lead to credit risk. Secondly, the enterprise's own management level and financial situation are also important factors leading to credit risk.

If the enterprise's financial management is not good, the internal control mechanism is not perfect, the efficiency of capital use is low, or there are problems such as excessive debt and declining profitability, it will increase the probability of credit risk. In addition, the intensification of market competition, changes in the industry environment, natural disasters and other force majeure factors may also adversely affect the financial credit of enterprises.

Therefore, enterprises need to strengthen financial management, establish and improve the internal control mechanism, improve the efficiency of capital use, reduce the debt level and enhance profitability in order to effectively deal with various factors that may lead to credit risk.

### **4.2. Selection of Research Methods and Design**

This paper adopts the research method of combining quantitative analysis with qualitative analysis. Quantitative analysis mainly through the construction of credit risk assessment model, using statistical methods to process and analyze sample data, in order to reveal the essential characteristics and influencing factors of credit risk. Qualitative analysis mainly analyzes the causes, effects and prevention and control strategies of credit risk through case studies and expert interviews. Through this research design, this paper can comprehensively and deeply discuss the management and practice of enterprise financial credit risk.

Quantitative analysis mainly relies on various financial risk models, such as capital asset pricing model, VaR (value at risk) model, cash holdings model, etc., to accurately measure risks and provide scientific basis for risk management. The

qualitative analysis focuses on the comprehensive evaluation of the internal and external environment of enterprises, including macroeconomic environment, industry competition situation and internal management of enterprises, to identify potential risk factors and provide important reference for risk management.

### **4.3. Data Collection and Analysis Methods**

In terms of data collection, this paper uses data collection methods and data analysis methods. This paper mainly obtains sample data through public financial reports, credit rating reports and industry research reports. In the aspect of data analysis, this paper uses accounts receivable method and cash holding model to reveal the essential characteristics and influencing factors of credit risk. At the same time, this paper also uses case studies and expert interviews to deeply analyze the causes, effects and prevention and control strategies of credit risk.

(1) Data collection methods: We use various data collection methods to ensure the comprehensiveness and accuracy of data. (Literature review collection, case data collection, questionnaire survey data collection) Specifically, we will obtain the basic information and relevant behavior data of the research object through questionnaire survey; At the same time, we will also use the interview method to deeply understand the attitude, viewpoint and experience of the research object; In addition, we will collect relevant background information and theoretical basis with the help of existing databases and literature resources. Through the combination of various data collection methods, we will be able to build a complete and systematic data set, which will provide a solid foundation for subsequent data analysis.

In this paper, the most widely used is literature review and collection, through consulting and analyzing relevant literature to obtain data. Specifically, we can systematically search, screen and read academic works, journal articles and conference papers in related fields, to obtain a lot of valuable research data and theoretical support. With the help of the literature search function provided by school resources (China HowNet, ProQuest full-text dissertation database, periodicals in Emerald management, library science, economics and other professional fields, and Web of Science, etc.) and network resources (Google Academic and Google Academic, etc.), the classic and important literatures in the fields of enterprise management, financial risk management, risk identification and early warning, enterprise market competition, enterprise institutional environment, etc. are searched, classified and analyzed. At the same time, by comparing and analyzing the data and information in different documents, we can also find some potential laws and trends, which will provide beneficial enlightenment for further research.

Data collection methods occupy a vital position in our research, so we adopt a variety of data collection methods to ensure the comprehensiveness and accuracy of the collected data. Specifically, these methods include literature review collection, case data collection and questionnaire survey data collection.

(2) Data analysis method: After the data collection is completed, we will use scientific data analysis methods to deeply analyze the data. For the case, we will adopt quantitative and qualitative analysis methods and data comparison method. Such as descriptive statistics, correlation analysis and regression analysis, etc., to reveal the internal

laws and relations between the data; At the same time, we will also use qualitative analysis methods, such as content analysis and discourse analysis, to deeply explore the subjective experience and cognitive model of the research object. For the questionnaire survey, we use it. In the process of data analysis, we will pay attention to the diversity and complementarity of methods to ensure the comprehensiveness and accuracy of the analysis results. By using a variety of data analysis methods comprehensively, we will be able to reveal the essential characteristics and development trend of the research phenomenon and provide strong support for scientific research.

After the key link of data collection is successfully completed, we will use a series of scientific and systematic data analysis methods to conduct a comprehensive and in-depth analysis of the collected data. For the analysis of specific cases, we will adopt the strategy of combining quantitative and qualitative analysis to fully reveal the internal laws and relations behind the data.

## 5. Empirical Analysis and Strategy

The evaluation of financial risk management focuses on the enterprise's working capital chain. The normal operation can not be separated from the monitoring of financial contents such as capital chain and accounts receivable, and it is an important task to systematically and scientifically analyze and judge various financial risk management that may be encountered in the enterprise's business process. Next, we take Xindao Technology Co., Ltd. as an example to analyze the credit risk.

The work of credit risk not only helps enterprises to fully understand their own financial situation, but also provides them with targeted risk prevention and coping strategies to

reduce the impact of financial risk management on enterprises and ensure their stable operation.

The working capital chain of small and medium-sized enterprises should focus on: calculating the cash holdings of enterprises, paying attention to the motivation of holding cash, and doing a good job in cash management:

1) Transaction motivation: The enterprise holds a certain amount of cash to meet the needs under the normal production and operation order. Generally speaking, the cash balance held by an enterprise to satisfy the trading motivation mainly depends on the sales level of the enterprise.

2) Preventive motivation: enterprises hold cash to meet the cash needs of emergencies. The cash balance held by enterprises to cope with emergencies mainly depends on three aspects: first, the degree to which enterprises are willing to take risks; Second, the strength of the enterprise's ability to borrow temporarily; The third is the reliability of the enterprise's cash flow forecast.

3) Speculative motivation: cash needs prepared by holding cash to seize various fleeting market opportunities and gain greater benefits. The size of its holdings is often related to the investment opportunities of enterprises in the financial market and the attitude of enterprises towards risks.

4) The content of cash management

Prepare the cash income and expenditure plan to reasonably estimate the future cash demand. Control the daily cash receipts and payments, and strive to accelerate the collection and delay the payment. Determine the optimal cash balance with a specific method. When the actual cash balance of the enterprise is inconsistent with the optimal cash balance, adopt short-term financing strategy or return the loan and invest in securities to achieve the ideal situation. The content of the best cash management is as follows:

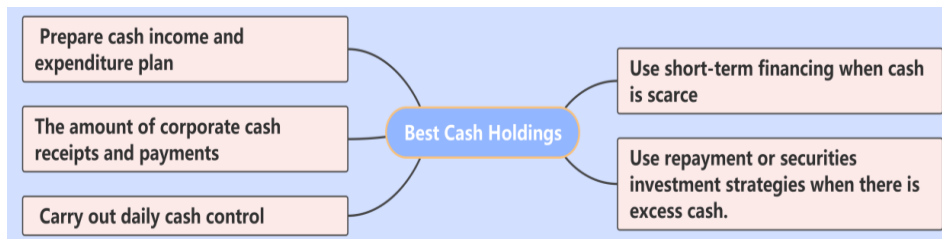


Figure 3. The content of optimal cash management

### 5.1. Cash cost

1) Holding cost

The holding cost of cash refers to the increased management expenses and the lost reinvestment income due to the retention of a certain cash balance.

Total cost of cash held = opportunity cost + switching cost

$$TC = \frac{Q}{2} \times K + \frac{T}{Q} \times F$$

2) Management cost:

There will be some management expenses when an enterprise holds cash. The management cost has the nature of fixed cost, which has little to do with the amount of cash held in a certain range.

3) switching costs

Conversion into cost refers to the transaction costs paid by enterprises when they buy securities with cash and convert them into cash.

4) Shortage cost

Shortage cost refers to the loss caused to the enterprise

when the cash holdings are insufficient and cannot be supplemented by the realization of securities in time. Including direct losses and indirect losses. The following is the optimal cash holding cost model:

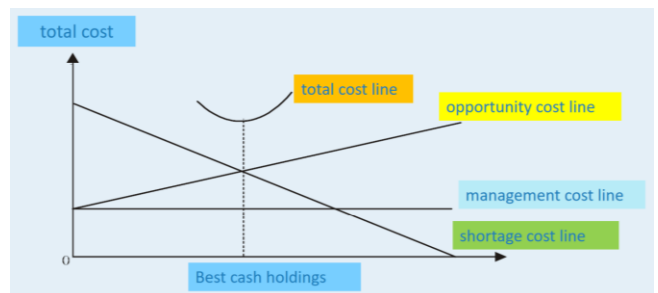


Figure 4. Optimal cash holding cost model

As can be seen from the figure, the total cost curve is parabolic because of the different relationship between various costs and cash holdings. The lowest point of the parabola is the lowest cost, and the cash holdings corresponding to this point are the best cash holdings, at

which time the total cost is the lowest.

To calculate the optimal cash holdings, first calculate the sum of opportunity cost, management cost and shortage cost of various schemes, and then select the cash holdings with the lowest sum of total costs as the optimal cash holdings.

Investment risk management: make detailed risk assessment for the investment projects of enterprises, including the analysis of the expected return, payback period and market prospect of the projects.

Credit risk management: for enterprises that sell goods or provide services on credit, evaluate the credit status of customers and reduce the risk of bad debts.

Working capital risk management: analyze the capital

turnover speed in the daily operation of enterprises, including average collection period, inventory turnover days and other indicators, optimize the efficiency of enterprise capital use, and reduce the working capital risk.

In view of the above three kinds of risk management, the most used is the measurement of enterprise accounts receivable in working capital risk, and the opportunity cost of accounts receivable. If the funds occupied by enterprises in accounts receivable are used for other investments, they can get investment income. The following is an analysis of the indicators of accounts receivable in operational risk management:

**Table 1.** Accounts receivable accounting model in credit risk

Accounts receivable accounting model in credit risk		
Serial number	Accounting item	Accounting method
1	Opportunity cost of accounts receivable	= Funds occupied to maintain credit sales × Fund cost rate
2	Funds occupied to maintain credit sales	= Average balance of accounts receivable × Variable cost rate
3	Average balance of accounts receivable	= Annual credit sales ÷ Accounts receivable turnover rate
4	Accounts receivable turnover rate	= 360 ÷ Average collection period of accounts receivable
5	Bad debt loss of accounts receivable	= Annual credit sales × Expected bad debt loss rate

## 5.2. Quantitative Analysis Method

As one of the important means, quantitative analysis mainly uses various financial risk models to measure the risk accurately. These models include, but are not limited to, capital asset pricing model, VaR (Value at Risk) model and cash holdings model. Through these models, enterprises can quantitatively analyze various financial risks such as market

risk and credit risk, thus providing scientific basis for risk management and formulating more effective risk coping strategies.

### 5.2.1. Tool Matrix of Quantitative Analysis Model

Quantitative analysis realizes accurate risk measurement by constructing mathematical models, and mainly includes the following core tools:

**Table 2.** Quantitative risk analysis model construction

Quantitative risk analysis model construction				
Serial Number	Model Category	Typical representative model	Applicable Risk Types	Output result form
1	Market Risk Model	Capital Asset Pricing Model (CAPM)	Systemic Risk	Beta coefficient, expected return
2	Risk Quantification Model	Value at Risk (VaR) Model	Market/Credit Risk	Confidence interval value
3	Liquidity Management Model	Cash Conversion Cycle Model (Miller-Orr)	Cash Flow Risk	Optimal cash holding

### 5.2.2. Quantitative Study on Credit Risk

This study constructs a credit risk assessment model with 12 financial indicators. Based on the regression analysis of panel data, it is found that: the core influencing factors

Direct impact: solvency indicators such as current ratio (X) and asset-liability ratio (X) ( $\beta=0.42, p<0.01$ ).

Indirect impact: total assets turnover rate (X) is transmitted through cash flow from operating activities (intermediary effect accounts for 38%).

Synergy: There is an interaction between the net profit rate of sales (X) and the return on assets (X) ( $\delta \Delta R^2=0.15$ ).

(1) Exogenous variable regulation effect

Industry characteristics: The sensitivity of credit risk of manufacturing enterprises to inventory turnover rate (X) is 47% higher than that of service industry.

Macro-economy: For every 1% increase in GDP growth rate, the probability of corporate credit default decreases by 0.83 percentage points (95%CI).

This study constructs a credit risk assessment model with 12 financial indicators (covering three dimensions: solvency, operational efficiency and profitability). Based on the regression analysis of panel data, it is found that:

Core drivers:

Direct influence: solvency indicators such as current ratio (X) and asset-liability ratio (X) ( $\beta=0.42, P < 0.01$ ); Indirect effects: total assets turnover rate (X) is transmitted through cash flow from operating activities (intermediary effect accounts for 38%); Synergistic effect: there is interaction between the net profit rate of sales (X) and the rate of return on assets (X) ( $\delta r = 0.15$ );

Solvency ( $\beta=0.42, p<0.01$ ): Liquidity ratio (X), asset-liability ratio (X) and other indicators directly determine the default probability;

Operational efficiency transmission (intermediary effect 38%): total assets turnover rate (x) indirectly affects credit level through net cash flow from operating activities;

Profitability synergy ( $\Delta r = 0.15$ ): There is a significant interaction between the net profit rate of sales (X) and the return on assets (X).

(2) External regulation mechanism: exogenous variable regulation effect

Industry heterogeneity: the sensitivity of credit risk of manufacturing enterprises to inventory turnover rate (X) is 47% higher than that of service industry ( $P < 0.05$ ).

Macroeconomic elasticity: for every 1% increase in GDP

growth rate, the probability of corporate credit default decreases by 0.83 percentage points (95%CI=[-1.25,-0.41]).

### 5.2.3. Application value of the model

Through K-S test (KS=0.78), the recognition accuracy of this model for default samples reaches 89.6%, which is 12 percentage points better than the traditional Z-score model. It is suggested to combine Monte Carlo simulation to carry out pressure test, focusing on:

Enterprises with inventory turnover days exceeding 30% of the industry average ( $X_6 > 1.3X_6$  industry)

Samples with negative cash flow from operating activities for two consecutive periods (CFO < 0 and CFO < 0)

Case of asset-liability ratio breaking the warning line of the industry ( $x > \text{industry 75th percentile}$ )

### 5.2.4. Case Verification: Xindao Technology Company

Enterprise background: As a manufacturing listed company, Xindao Technology's 2024 annual report shows that its inventory turnover days reach 98 days (the industry average is 65 days), its asset-liability ratio is 58% (the industry warning line is 55%), and its cash flow from operating activities is negative for two consecutive periods.

**Table 3.** Newdao Technology 2024 Credit Risk Quantitative Model Analysis

Newdao Technology 2024 Credit Risk Quantitative Model Analysis		
Serial Number	Project Indicators	Project Accounting Status
1	1. Indicator Input	
2	X <sub>1</sub> Current ratio	1.2 (industry average 1.5)
3	X <sub>2</sub> Debt-to-Asset Ratio	58% (industry warning line 55%)
4	X <sub>3</sub> Total Asset Turnover Ratio	0.8 times/year (industry average 1.2 times/year)
5	X <sub>6</sub> Inventory turnover rate	98 days (industry average 65 days)
6	2. Risk Assessment	
7	Credit Default Probability Forecast	14.7% (Industry average 8.3%)
8	Key Driving Factors:	Insufficient inventory turnover efficiency (contributing 39%), cash flow pressure (contributing 28%)
9	3. Management Insights	
10	First Measure	Implement JIT procurement model to shorten inventory cycle
11	Second Measure	Issue green bonds to replace high-cost debt
12	Third Measure	Establish cash flow early warning mechanism (setting CFO monthly red line)

Verification results: After passing the model warning, the company's inventory turnover days in Q1 2025 decreased to 82 days, the cash flow from operating activities turned positive, and its credit rating was upgraded from BBB+ to A-.

By constructing a credit risk assessment model, this paper makes a quantitative analysis of the sample data. It is found that factors such as solvency, operational efficiency and profitability of enterprises have a significant impact on credit risk. Among them, solvency is the most direct factor, while operational efficiency and profitability indirectly affect credit risk by affecting the cash flow and asset value of enterprises. In addition, industry characteristics, macroeconomic environment and other factors also have a certain impact on credit risk.

## 5.3. Qualitative Analysis Method

Through case studies and expert interviews, this paper makes a qualitative analysis of the causes, impacts and prevention and control strategies of credit risk. It is found that the causes of credit risk mainly include poor internal management of enterprises, changes in market environment, and adjustment of policies and regulations. These factors lead enterprises to face risks such as financing difficulties and increasing debt repayment pressure. In terms of impact, credit risk is not only related to the financing ability and debt repayment ability of enterprises, but also directly affects the market reputation and long-term development of enterprises. In terms of prevention and control strategies, enterprises should strengthen internal management, optimize financing

structure and improve operational efficiency to reduce credit risk.

#### **5.4. Risk Control Strategy**

In order to reduce the financial credit risk of enterprises, the following suggestions are put forward:

Enterprises should strengthen internal management, improve the transparency of financial management, strengthen internal control and prevent financial credit risks caused by poor internal management.

Enterprises should pay attention to changes in the market environment, adjust their business strategies in time, and deal with financial credit risks caused by market fluctuations.

Enterprises should understand the adjustment of policies and regulations, ensure the compliance of business activities, and avoid the financial credit risk caused by the adjustment of policies and regulations.

When choosing a credit risk assessment model, enterprises should choose a suitable model according to their own needs and characteristics, to assess credit risk more accurately.

Enterprises should establish a sound credit risk management mechanism, strengthen credit risk management, optimize financial structure, improve solvency, profitability and capital chain, and lay a solid foundation for the sustainable development of enterprises.

### **6. Results and Discussion**

The research results of this paper not only have far-reaching significance in theory, but also show remarkable value in practical application. Firstly, by constructing a comprehensive and accurate credit risk assessment model, this paper provides a scientific, effective and operational credit risk assessment method for enterprises. The core of this method lies in its powerful data analysis ability and prediction accuracy, which can help enterprises identify and evaluate potential risk factors in time, and then take targeted measures to prevent and control them, thus effectively avoiding economic losses and reputation damage caused by credit risks.

Secondly, the research results of this paper deeply analyze the causes and influence mechanism of credit risk, and reveal the manifestations and evolution laws of credit risk in different situations. These findings not only provide useful theoretical support and practical reference for enterprise risk management, but also help enterprises to understand and grasp the essential characteristics of credit risk more comprehensively, to formulate more scientific and reasonable risk management strategies.

Finally, the credit risk control strategy proposed in this paper has certain practical guiding significance and operability. These strategies combine the current market environment and the actual situation of enterprise internal management, aiming to help enterprises reduce the level of credit risk and improve financial stability and market competitiveness. By implementing these strategies, enterprises can further optimize their credit management system, improve their credit rating and financing ability, and then achieve sustainable development.

#### **6.1. Research Results**

Based on the results of quantitative analysis and qualitative analysis, this paper draws the following conclusions: first, the financial credit risk of enterprises is affected by many factors, including internal management, market environment, policies

and regulations, etc. Second, the credit risk assessment model can effectively reveal the essential characteristics and influencing factors of credit risk; Third, effective credit risk management can significantly improve the financial stability and market competitiveness of enterprises.

Through the in-depth analysis of the results of comprehensive quantitative analysis and qualitative analysis, this paper draws the following important conclusions. First, the formation and evolution of enterprise financial credit risk are influenced by many complex factors, which cover internal management, market environment, policies and regulations. Poor internal management, drastic fluctuation of market environment and adjustment of policies and regulations may cause financial credit risk, which will adversely affect the financial situation and market performance of enterprises.

Secondly, the credit risk assessment model plays a vital role in revealing the essential characteristics and influencing factors of credit risk. By collecting and analyzing a large amount of financial data and market information, these models can accurately describe the credit risk status of enterprises, help managers identify potential risk points in time, and provide strong support for formulating risk coping strategies.

Finally, effective credit risk management measures can significantly improve the financial stability and market competitiveness of enterprises. By establishing a sound credit risk management mechanism, enterprises can better control their risk exposure, optimize their financial structure and enhance their solvency and profitability. This not only helps to enhance the market reputation and brand image of enterprises, but also lays a solid foundation for the sustainable development of enterprises.

#### **6.2. Discussion of Research Results**

The research results of this paper have certain theoretical and practical significance. Firstly, this paper provides a scientific and effective credit risk assessment method for enterprises by constructing a credit risk assessment model. This method can help enterprises identify potential risks in time and take corresponding measures to prevent and control them. Secondly, the research results of this paper reveal the causes and effects of credit risk, which provides a useful reference for enterprise risk management. Finally, the credit risk control strategy proposed in this paper has certain practical guiding significance, which can help enterprises reduce credit risk and improve financial stability and market competitiveness.

However, there are some limitations and shortcomings in this study. First, there may be some subjective and uncertain factors in the selection and processing of sample data, which may have a certain impact on the research results. In order to further improve the accuracy and reliability of the research, more rigorous data collection and processing methods are needed in future research to ensure the representativeness and objectivity of the sample data.

Secondly, due to the complexity and variability of market environment and internal management of enterprises, the influencing factors of credit risk may be more diversified and hidden. This means that when building a credit risk assessment model and formulating a risk control strategy, all possible risk factors and uncertain factors need to be fully considered to ensure the comprehensiveness of the model and the flexibility of the strategy. Therefore, in the future research, it is necessary to further improve the credit risk assessment

model and method system, and strengthen the practical verification and optimization adjustment of credit risk control strategies to adapt to the changing market environment and enterprise needs.

In addition, the research results of this paper also have universal reference value for the risk prevention and control of the whole industry. By revealing the inherent laws and characteristics of credit risk, it can provide beneficial risk management ideas and methods for different industries and enterprises. At the same time, with the deepening of economic globalization and financial marketization, credit risk also presents new characteristics and trends, which requires us to take new elements and trends into consideration in future research and constantly innovate and expand credit risk assessment and control strategies.

## 7. Research Summary

This paper systematically studies the management and practice of enterprise financial credit risk, and constructs a financial credit risk assessment and prevention and control system suitable for modern enterprises. It is found that the causes, impacts and prevention and control strategies of credit risk involve many aspects, which require enterprises to take comprehensive measures from the perspectives of internal management, financing structure and operational efficiency. Through effective credit risk management, enterprises can significantly improve their financial stability and market competitiveness, and lay a solid foundation for their long-term development. In the future research, it is necessary to further improve the credit risk assessment model and method system, and strengthen the practical verification and optimization adjustment of credit risk control strategies to adapt to the changing market environment and enterprise needs.

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