

# THE RELATION BETWEEN THE LONG-TERM INVESTMENTS AND THE RISK IN AGRO-INDUSTRIAL COMPLEX

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## Abstract

Long-term investments are considered as the investments of capital in assets and activities from which the beneficial effects are expected in the future e.g. in a period which is longer than one year. Those are the investments in permanent (fixed) assets, permanent (lasting) turnover assets and long-term financial disposal.

The long period of investments, such as the independence of the events which can take place during a longer period of time makes these investments to be of a greater risk than the ones which are made in a shorter period of time, at which the time proximity of the events allows the effects of the investments to be seen with a greater certainty. The risk encloses the capital of the investments, but also the profit that is expected from their usage. It is as a rule proportional of the time for the tying of the capital. But, besides the duration of the investments, the degree of risk is under the influence of some other circumstances as well, such as the dynamics of the economic development, the changes in the market, the political situation in the country etc.

The incertitude and the risk are following the man and all of his activities. But, the urge to maintain the life forces the people to operate in risk conditions. That does not yet mean that every long-term investment in conditions of incertitude and risk is justified and acceptable. What is acceptable is only the investment for which there is a relatively lesser probability for that risk to manifest itself with some damaging consequences.

**Key words:** *Long-term investment, Risk, Incertitude, Capital, Profit, Funds, Turnover, Assets.*