

ASSESSMENT OF THE COMPANY'S FINANCIAL CONDITION AND FACTORS AFFECTING IT

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ABSTRACT

The financial results of the enterprise are characterized by the amount of profit and the level of profitability. The greater the amount of profit and the higher the level of profitability, the more efficient the enterprise works, the more stable its financial condition is. Therefore, determining reserves to increase profit and profitability is one of the main tasks in any business field, and financial analysis is given great importance in its determination. The purpose of this scientific work is to assess the financial status of the enterprise based on financial analysis, to determine the effectiveness of the enterprise's work, to study and analyze the factors affecting the financial status of the enterprise.

Keywords: financial stability, financial analysis, solvency, financial ratios, profitability, profit, tax, financial result.

INTRODUCTION

The financial status of enterprises is:

- is a complex concept, which includes a wide system of indicators, which represent the existence, status, location and level of use of financial resources of enterprises;
- is the result of the movement of all production and economic factors in the activity of enterprises, their interrelationship;
- means that enterprises are provided with financial resources necessary for moderate production, entrepreneurship and other activities and their effective use;
- is a true reflection of mutual relations of enterprises with other economic entities, bodies and organizations.

The financial activity of enterprises is a complex process, which is expressed using a system of indicators. The analysis of the financial activity of enterprises is the

presence, condition, location and level of use of financial resources of enterprises. As shown above, the first stage of analyzing the financial activity of enterprises is a general assessment of the financial situation. At this stage, the size of the enterprise's activity, overall efficiency, short-term and current assets of the enterprises, liabilities of the enterprises are analyzed. The following indicators are used for this:

1. General absolute indicators of enterprise activity.
2. General relative indicators of enterprise activity.
3. Dynamic and structural indicators of funds of enterprises.
4. Dynamic and structural indicators of enterprises' obligations.
5. Dynamic and structural indicators of reserves and costs of enterprises.

Today, the main goal of every business entity is to make a profit. Profit is an economic category of all stages of social production. Profit as an economic category and a financial result rises to its highest importance in the period of market relations, market economy. The establishment of profit, its realization, is an objective requirement of economic accounting, which uses extended reproduction, the law of value, and as a method of economic management. Advanced re-production requires constant expansion of production, regular raising of its technical level. For this, it is necessary to always achieve profit in production, realize it and use it for production needs.

DISCUSSION AND RESULTS

Different benefit metrics have different values for different categories of stakeholders.

For business owners, the bottom line is important - net profit, which they can withdraw in the form of dividends or reinvest to expand their operations and strengthen their market position.

Lenders are not interested in the amount of net profit that remains with the owner. They are more interested in the total amount of profit before interest and taxes, because they get their share for the debt capital.

The government is interested in the profit after paying interest before taxes, because it serves as a source of money for the budget. Therefore, it is appropriate for internal and external financial reports to provide information about financial results in this context.

The main tasks of the analysis of financial results:

1. Systematic control over the formation of financial results;
2. To determine the impact of both objective and subjective factors on financial results;
3. Determination of reserves to increase the amount of profit and the level of profitability and forecast their value;

4. Evaluation of the enterprise's work on using opportunities to increase profit and profitability;

5. Development of recommendations for development of identified reserves to increase profit.

Main data sources for analysis:

Enterprise balance sheet (Form 1)

Report on financial results (form 2).

Relevant business plan tables of the enterprise

The following profit indicators are used in the analysis process:

✓ marginal profit - the difference between revenue (net) and direct production costs for the sold product;

✓ profit from the sale of products, goods, services - the difference between the amount of marginal profit and fixed costs of the reporting period;

✓ total financial result before tax (gross profit) - financial results obtained from the sale of products, work and services, income and expenses from financial and investment activities, non-main and extraordinary income and expenses;

✓ taxable profit - the difference between the amount of taxable profit from gross profit and income (from securities and participation in joint ventures), as well as the amount of income tax benefits periodically revised in accordance with tax legislation;

✓ net profit - the part of it that remains at the company's disposal after paying all taxes, economic sanctions and other mandatory contributions;

✓ capitalized (undistributed) profit is the part of net profit directed to finance the increase of assets;

✓ consumed profit - its part spent on paying dividends, employees of the enterprise or social programs.

Profit is the most important financial indicator that determines the ability of the organization to provide income in excess of the costs necessary for its normal development. To determine the conditions and opportunities for profit, an analysis of financial results is conducted, during which the following questions must be answered:

1. How stable are the received incomes and expenses.

2. What elements of the income statement can be used to predict financial results.

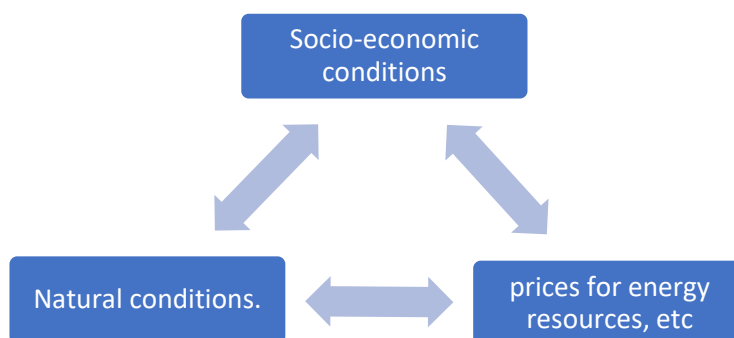
3. How effective are the costs incurred.

The sequence of analysis of financial results is as follows:

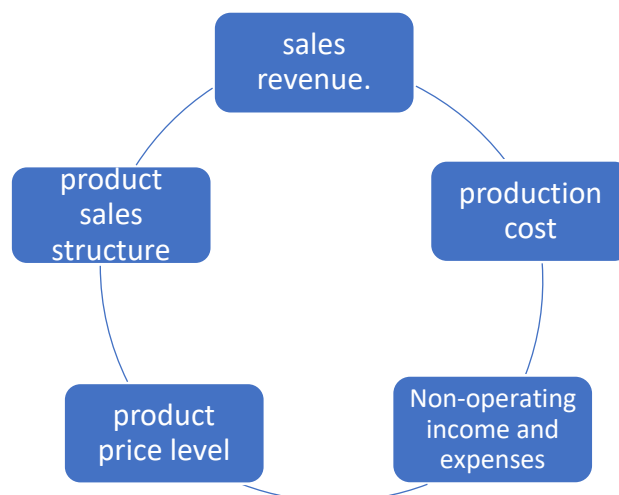
- analysis of the dynamics and structure of the main elements of the income statement.
- assessing the quality of the obtained financial results and forecasting future results.
- profitability analysis.

A more detailed analysis includes the study of each element of accounting profit and the factors affecting it. Factors can be divided into external and internal factors.

External factors include:



Internal factors include:



The most important component of accounting profit is the profit from the sale of the product. During the analysis of profit from sales, its dynamics are evaluated over the years, the factors affecting its change are determined. The most important condition for the further development of the enterprise is the condition for profit optimization - i.e. the increase in profit from sales should be greater than the increase in the cost of

goods sold, therefore, in the analysis, it is necessary to determine whether the condition of profit optimization is fulfilled. The analysis is carried out in the table, after which the conclusions are drawn

Profitability is a relative indicator that determines the level of profitability of a business. Profitability indicators describe the efficiency of the entire enterprise, the profitability of various areas of activity (production, trade, investment, etc.); they more fully describe the final results of management than profits, because their value shows the ratio of the effect to the money or resources consumed.

In the conditions of market relations, the role of profitability indicators describing the level of profitability (unprofitability) of production is significant. Profitability indicators are relative characteristics of financial results and enterprise efficiency. They describe the relative profitability of different types of activities: production, trade, investment, etc., measured as a percentage of the value of funds or capital from different positions. They describe the final results of management more fully than profits because their value shows the ratio of impact to resources.

Profitability indicators can be grouped into several groups:

1. Indicators of profitability of production activity - describe the reimbursement of production costs and investment projects, calculated by the ratio of various types of profit to the amount of costs for sold products. Calculate R7 for the entire enterprise by its separate segment and product type.

2. Profitability of sales (turnover) - describes the efficiency of production and commercial activities, i.e. How much profit does the company get from the sold rubles? It is calculated by dividing the various types of profit by the amount of net profit. This indicator is widely used in the conditions of the market economy, it is calculated as a whole for the enterprise and for individual types of products R1, R2, R3, R6.

3. Profitability (return on capital) - describes the profitability of capital and its parts, different types of profit to the average annual value of capital or its separate components R4, R5, R8.

Businesses under analysis may vary, including:

- by size - small, medium and large enterprises, this situation affects the direction and depth of financial analysis;
- have different technologies and belong to different industries. This situation affects the provision of capital and working capital to enterprises;
- enterprises can cover their need for funds to different extents at the expense of themselves and liabilities.

All of them certainly affect the general, economic and financial activities of enterprises. Therefore, in the analysis of the financial situation, a general assessment is carried out.

Each analyst, auditor, before analyzing the financial activity of the enterprise, examines its general activity. General absolute indicators are used for this purpose.

General absolute indicators of enterprise activity (thousand soums)

№	Indicators	Current period	Past period	Dynamics%
1.	The value of the company's property Including:	27868	30550	109.6
	Basic funds	15833	17687	111.7
	Revolving funds	12035	12863	106.9
2.	Production funds	3819	4034	105.6
3.	Gross product	678968	611071	90.0
4.	Product sold	428441	400431	93.5
5.	Profit before tax	10953	10405	95.0

Analysis of table data leads to the following conclusions:

- the enterprise under analysis is one of the largest groups of republican enterprises and is of great importance in the country's economy;

- the company's material resources are growing despite the severity of market relations;

- but the volume of the products produced and sold in the enterprise has decreased, the profit has decreased, therefore, the financial situation of the enterprise has worsened;

- since the enterprise under analysis is one of the large enterprises, its financial condition may have a negative impact on the activities of other enterprises, and therefore the financial condition of this enterprise should be analyzed in all respects.

In the financial analysis, the general relative indicators help to express the financial situation of the enterprises in general. The following indicators are used as general relative indicators.

1. Production gross output and gross profit, that is, profit before taxes, in relation to each soum of the value of enterprise property.

2. The gross product and gross profit produced in relation to each soum of production funds of enterprises, that is, the main and circulating production funds.

Production funds make up the main part of the company's property, and the level of their use has a direct impact on the financial condition of the company.

The above-mentioned indicators represent the efficiency of the use of the company's property and production funds.

General relative indicators of enterprise activity (thousand soums)

№	Indicators	Current period	Current period	Dynamics %
1.	The average value of the company's property	27868	30550	109.6
2.	Average cost of production funds	25867	28041	108.4
3.	Gross product	678968	611071	90.0
4.	Gross profit	10953	10405	95.0
5.	For each soum of property value:			
	-gross product produced	24.3	20.0	82.3
	-gross profit received	39.0	34.0	87.2
6.	For each soum of production funds:			
	-gross product produced	26.2	21.8	83.2
	-gross profit received	42.0	37.0	88.1

In the current period, compared to the previous period, the overall efficiency of the enterprise has decreased. The gross output per soum of the enterprise's assets decreased by 17.7%, and the gross profit by 12.8%. During this period, the enterprise produced in relation to each soum of production funds: gross output decreased by 16.8%, gross profit decreased by 11.9%, which means that the efficiency of using assets and production funds in the enterprise decreased, but production decrease in the effectiveness of the use of funds is less compared to property.

In the general assessment of the financial situation of enterprises, it is important to analyze the dynamics and composition of their funds, because the dynamic and structural change of funds is one of the factors that determine the financial situation.

In this view, the indicators of dynamic and structural changes of the company's sources of funds, the dynamic and structural changes of the company's commodity reserves, that is, the material circulation of funds, and the results of the analysis, appropriate conclusions are made and recommendations are made.

CONCLUSION

More system of indicators can be used to more fully meet the demand for information of subjects interested in the financial condition and investment attractiveness of enterprises. Based on the interest of the user of each information, it is possible to get conclusions that are the basis for making management, investment and financial decisions based on the evaluation of one or another indicator. Also, we

believe that when rating the financial condition of enterprises, it is necessary to take into account their industry characteristics, competitive position, competence of the management apparatus and other factors. The level of significance of the studied indicators can also cause a change in the rating. Based on this, it can be said that in order to increase the effectiveness of investment and financial decisions, it would be appropriate to use as many indicators as possible (allowing to assess the financial status and investment attractiveness of the enterprise from all sides) in the rating assessment of the financial situation.

In conclusion, it can be said that in the context of the introduction of modern methods of corporate management, the demand for reliable information about the investment attractiveness of enterprises and their financial status will increase. Such information serves as an important basis for making effective management, investment and financial decisions. On the basis of improving the methods of comprehensive assessment of the financial status and investment attractiveness of enterprises, the efficiency of management decisions will increase and the possibilities of effective use of financial resources will be determined.

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