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SPECIFIC FEATURES OF THE USE OF FINANCIAL SOURCES IN INCREASING THE COMPETITIVENESS OF INDUSTRIAL ENTERPRISES

Kurbanmurat TAPAROV

Deputy Director for Personnel and Administrative Issues, Member of the Board,
"Navoi Mining and Metallurgical Combinat" Joint Stock Company
Researcher at Navoi State Mining and Technological University
ORCID: 0009-0004-3107-4536

ABSTRACT

The article develops proposals and recommendations for improving the methodology for improving the financial efficiency of industrial enterprises, based on the importance and necessity of improving the financial efficiency of industrial enterprises. In particular, the approaches and methods of financial efficiency of industrial enterprises are studied, the advantages and disadvantages of these methods are identified, and methodological recommendations for their application are developed.

KEYWORDS: *Industrial Enterprises, Financial, Valuation Standards, Income Approach, Cost Approach, Comparative Approach.*

Аннотация

В статье разработаны предложения и рекомендации по совершенствованию методики повышения финансовой эффективности промышленных предприятий, исходя из важности и необходимости повышения финансовой эффективности промышленных предприятий. В частности, изучены финансово-эффективные подходы и методы для промышленных предприятий, выявлены преимущества и недостатки этих методов, разработаны методические рекомендации по их применению.

Ключевые слова: промышленные предприятия, финансовые, стандарты оценки, доходный подход, затратный подход, сравнительный подход.

INTRODUCTION

An important specific issue of the investment process in industrial production enterprises in the Republic of Uzbekistan is the shift of the center of gravity from financing from the budget to financing from the own funds of economic entities, special funds, banking and credit institutions and regional resources. In this regard, in our opinion, it is extremely important to optimize the structure of various sources of financing for investments, control inter-sectoral proportions in the public sector. Optimization of the structure of financing sources expands the participation of corporate property in financing investments, increases the responsibility of participants in the financing process, increases the efficiency of investments, and creates opportunities to solve the tasks of ensuring the capitalization of income.

Increasing the share of credit resources in financing industrial enterprises, in our opinion, helps to increase responsibility for the results of financing, since with their increase in role, the level of bank and credit risks also increases.

In the implementation of the program of regulatory documents that determine the economic potential of an industrial enterprise and the possibilities of its use, factors that provide the financial stability of the enterprise with resources are of decisive importance. The measures of the program to ensure the financial stability of an industrial enterprise are

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interconnected in terms of goals, conditions and resources. The measures of the program determine the need to identify unused areas of the enterprise, factors causing financial deficits, and carry out variant calculations that ensure the solution of the strategic task set.

Developed based on balance sheet ratios in modeling the financial stability of an enterprise[1] enabling effective implementation of balance sheet accounting, taxation, insurance, and financial data processing[2] mathematical-financial models of enterprises were among the first to be used. When using these models, analytical tasks are usually solved in a centralized manner, while the tasks of analyzing the financial condition of the enterprise are considered as an independent task in this case. They can be solved through automation in two stages. The first stage involves automated processing of primary information on accounting data, and the second stage involves the use of the information obtained in an integrated system for ensuring the financial stability of the enterprise.

In our opinion, a special role in this system is played by the model of the structure of the financial strategy and the basic financial and economic simulation model of the enterprise. They are based on scientific work on modeling economic processes[3].

In conclusion, it should be noted that further improvement of enterprise support mechanisms and development of new effective measures to ensure their sustainable development will serve to ensure the competitiveness of the republic's economy and strengthen its position in the foreign market.

LITERATURE REVIEW

A number of foreign scholars have conducted research on the problems of financial decision-making and risk assessment in enterprises. In particular, J. Burke and P. Demarzo paid special attention to short-term financial planning, focusing on the issues of financial policy, working capital management, short-term financing through bank loans or securities [1]. A.J. Keown, J.D. Martin, J.V. Petty interpreted financial planning as a separate stage in the financial management system and focused on short-term financial planning, which includes financial forecasts for the main activities [2]. E.F. Brigham, M.S. Earhart drew attention to the priority of cash flow movements in the financial plan and operational plan [3]. S.A. Ross, R.V. Westerfield, B.D. Jordan, taking a comprehensive approach to financial planning, consider the directions of long-term and short-term financial planning, and also touch upon models that reflect the relationship between financial planning and financial growth [4].

The directions of financial planning in entities engaged in entrepreneurial activity, in particular, the issues of organizing financial planning, strategic financial planning, financial forecasting, current financial planning, budgeting, operational financial planning, were also studied by L.G. Pashtova and others [5]. One of the leading Russian scholars in financial management, I.Ya. Lukasevich, studied the mechanism of action of financial planning, methods used in financial planning, forecasting of financial indicators, financial policy and sustainable growth strategy [6].

B.E. Tashmuradova, S.E. Elmirzaev studied the issues of tax planning as a component of financial planning [7]. Some areas of financial decision-making in enterprises have been studied by scientists of our republic, but scientific research on their widespread application has not been fully completed to date. A more in-depth study of this process requires finding solutions to its current problems.

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CURRENT PROBLEMS RELATED TO THE TOPIC

Our country is undergoing extensive reforms to renew society, improve our country, and modernize the market economy. As a result of these reforms, which are being carried out step by step, infrastructures typical of a market economy have been built, private ownership has been introduced, and a class of entrepreneurs has emerged. As a result, our economy is growing year by year, and the real incomes of the population are increasing.

It is worth noting that in such a situation, the laws adopted in our country, the decrees and resolutions issued by our President, which are timely and comprehensively thought out, serve as an important legal basis for the stable growth of our economy. In particular, important legislative acts that are being consistently implemented to strengthen the banking and financial system, which is the lifeblood of our economy, are bearing fruit in practice. This situation, in turn, creates favorable conditions for the development of enterprises in the industrial sector in our country.

Risk exists at all stages of an enterprise's activity, but it is more characteristic of the initial stage of the financial strategy and arises from shortcomings in conducting business operations due to lack of qualifications. So, regardless of the will of people, as a result of studying the secrets of entrepreneurship, one has to face the uncertainty that cannot be determined in advance. Therefore, the main task of an entrepreneur is not to avoid risk, but to be able to perceive risk, assess its level and not go beyond its established limits. Changes taking place in the system of financing investment activities are expanding the range of various risks, including political, currency, etc., due to the expansion of the participation of various international investments and the inclusion of residents and non-residents of the country in the financing system. The development of international leasing in the financing of industrial enterprises, foreign investments and credit lines in the system of financing investment activities increase the additional risks inherent in foreign investments and debts.

SCIENTIFIC PROPOSALS AND RECOMMENDATIONS

Uzbekistan has been able to strengthen its economy and ensure rapid and sustainable development by implementing reforms in all areas in a short period of time.[4] are a vivid example of this. On August 28, 2024, in terms of increasing production and efficiency in industrial sectors, the volume of industry increased by 7.1 percent in 7 months, reaching 435 trillion soums. There was high growth in the electrical engineering, textile, leather and automotive industries. 1.3 thousand new capacities were commissioned in the regions, creating an additional production resource of 40 trillion soums.

But things are not the same in all regions and sectors. In particular, in 4 districts, the volume of industry decreased compared to last year, and in 14, the growth did not even reach 2 percent. Therefore, a system of "enterprise-by-enterprise" work with industry was established in the regions. The Deputy Prime Minister - Minister of Economy and Finance provided information on the work initiated in this regard and the plans planned until the end of the year. As noted, enterprises in the regions are being studied and their problems are being solved. In particular, assistance was provided on working capital, electricity and gas supply, and tax issues. There is a possibility of ensuring additional production worth 30 trillion soums by the end of the year. To this end, instructions were given on assigning managers to enterprises based on the number of employees and training entrepreneurs in modern approaches. The task was set to develop a program for industrially specialized districts of each region.

A share, as a private document, not only records the right to joint ownership, but also records the ownership share in the total amount of all shareholder capital. Therefore, a share is a security that gives the right to variable income, the rate of its growth or decrease is common to all shareholders, but also turns its owner into a person who makes management decisions, not just a business owner.

Shares play a large role in the securities system. This type of securities is known and popular everywhere, not only in the market, but also in any portfolio, and is an important source of attracting investment capital. At the same time, the role of shares in the stock market in Uzbekistan cannot be overestimated, because the market is just forming, and there is no secondary circulation of securities on it. In such conditions, shares lose their most important advantage - their debt nature. As a result, both investment and issuance risks increase significantly. Shares, which are legal documents,

[4] *Shavkat Mirziyoyev will hold a meeting on August 28, 2024, on issues of increasing production and efficiency in industrial sectors. https://president.uz/uz/lists/view/7506*

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govern the most complex economic relations in the securities market, and their timely use is ensured by a developed market infrastructure.

A share is a security issued by joint-stock companies, enterprises and organizations, commercial banks, cooperatives and other institutions based on collective ownership or fully state-owned enterprises, confirming the contribution of funds for development purposes with an indefinite term, which entitles the holder to membership in the joint-stock company, participation in its management and receiving a part of the company's profits in the form of dividends.

Thus, shares have three main features: permanence, direct participation of the shareholder in the investment, and the right to receive income from the invested capital based on the results of economic activity.

Shares are classified according to the criteria of the issuer: shares of joint-stock companies, shares of labor collectives. Shares are issued for nominal and nominal purposes.

Shares of joint-stock companies, in turn, are of two types depending on the participation of their owners in the management of their property: ordinary and preferred.

Shares are issued in special banks, which also have special protective features similar to other coupons: the official name, address of the issuer, the name of the security - "Share", its category, serial number, date of issue, nominal value, name of the shareholder, authorized capital and the number of shares in this issue, the frequency of dividend payments, the signature of the head of the enterprise - the issuer or his representative.

We will dwell in detail on the characteristics of certain types of shares. In particular, shares of joint-stock companies. These securities confirm the right of the owner of these securities to receive a certain share of the private assets of the joint-stock company and a certain income from the activities of the company. The shares may contain: There is another right - the right of the shareholder to participate in the management of the enterprise.

Preferred shares are issued only in registered form, they are distributed mainly among employees of joint-stock companies and do not enter the secondary market. The mechanism for issuing these shares in our republic has not been well developed. However, international experience has been accumulated in this regard. Such shares can be issued in the form of redeemable shares. By redeemable is meant the recall of these shares by the issuer through the purchase. A special purchase fund is established for the purchase, the purchase is carried out in whole or in part. The purchase of redeemable shares is carried out in order to protect the issuer from excess funds (funds).

Preferred shares can also be issued in a convertible form. Bush notes that the owners of these shares can also exchange them for ordinary shares of the same joint-stock company. The exercise of the right to convert such shares depends on the will of the shareholder.

Most shares of joint-stock companies are issued in the form of ordinary shares - they are inextricably linked with the development of production, in other words, they combine two functions: they are an investment capital base intended for the development of production and a form of management of the enterprise.

Ordinary shareholders are the owners of joint-stock companies and their initial investors. Their interest is not only in increasing the return on the invested capital, but also in increasing the capital for the development of the enterprise. In this case, they can increase their initial investment many times over, and, conversely, if the enterprise fails, they can be left with nothing.

Ordinary shareholders give them certain opportunities that only an investor has. This opportunity is primarily a profit opportunity, the amount of which directly depends on the results of economic activity.

Many joint-stock companies strive to regularly pay dividends on ordinary shares, to retain a portion of net profit allocated for such purposes. Dividends can be paid quarterly, twice a year. An interim dividend is paid by the Board of Directors of the company for the past quarter (half a year, year) at the expense of one ordinary share. The final amount of the dividend per ordinary share is determined by the general meeting of shareholders at the end of the year at the proposal of the Board of Directors, taking into account the payment of interim dividends.

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Dividends are paid either by the joint-stock company (through its cash desk), or by a bank or investment form by check, money order, postal (telegraphic) transfer at the request of the issuer.

Naturally, not all ordinary shares meet the expectations of investors. Therefore, they should be carefully analyzed and selected. The source of this analysis is published information on the state of joint-stock companies.

In our republic, shares of labor collectives can also be issued in addition to shares of joint-stock companies. Their difference is that they do not have the status of property. Their purchase does not imply that the owner invests in the work and increases this investment in return for profit, as well as participation in management. In addition, shares issued for labor collectives cannot be distributed (in names) not only among employees of the enterprise, but also among individual persons and cannot be transferred from one person to another. These shares are not included in the arsenal of marketable securities, they are excluded from market circulation. The issuance of these shares has not only economic, but also socio-psychological significance, they serve to increase the social activity of workers.

Corporate shares can be issued by all economic entities: state, leased and other enterprises. The content of this type of valuable securities has specific features and limitations.

Firstly, these shares do not have ownership rights, they do not guarantee the right to vote for their owners in management. Their owners focus on receiving income for their invested capital, but cannot influence management through this income.

Secondly, corporate shares are distributed only among legal entities.

Thirdly, the desire of enterprises to issue shares without changing the ownership rights does not always correspond to the investor's desire to purchase these shares. To achieve proportionality, the issuer must develop special conditions and guarantees, and spend a certain amount of money. These costs must be covered by the assets of the placement of securities, otherwise the issue will lose its economic meaning.

An important specific issue of the investment process at industrial production enterprises in the Republic of Uzbekistan is the shift of the center of gravity from financing from the budget to financing at the expense of own funds of economic entities, special funds, banking and credit institutions and resources of the regions. In this regard, in our opinion, it is extremely important to optimize the structure of various sources of financing of investments, control inter-sectoral proportions in the public sector. Optimization of the structure of financing sources expands the participation of corporate property in financing investments, increases the responsibility of participants in the financing process, increases the efficiency of investments, and creates opportunities to solve the tasks of ensuring the capitalization of income.

Increasing the share of credit resources in financing industrial enterprises, in our opinion, helps to increase responsibility for financing results, since as their role increases, the level of banking and credit risks also increases.

The current system of budget financing for state-owned enterprises creates a certain degree of dependence, and moreover, creates preferential conditions for them in terms of investment activities compared to non-state sector entities. Therefore, in our opinion, budget financing for state-owned enterprises can be replaced with financing from special purpose funds formed from the budget at fixed, low, preferential interest rates. They can be used in the form of loans, as well as in the form of separate financial leasing. Replacing budget financing with lending based on the principles of maturity, solvency and repayment, provided that they are not repaid, will be effective. Providing syndicated loans to industrial enterprises expands the scope of corporate participation, which leads to an increase in the level of assessment of investment efficiency, since when lending to them, the total risks shared between financing participants are taken into account.

SCIENTIFIC-BASED SUGGESTIONS AND RECOMMENDATIONS

In our country, economic reforms aimed at supporting the real sector of the economy and increasing the financial stability of industrial enterprises are being consistently implemented. Because increasing the level of capitalization and strengthening the financial stability of enterprises operating in industrial sectors, improving the financial health and management mechanisms of economically insolvent enterprises, structural transformation of the economy,

modernization of production, technical and technological re-equipment play an important role in the sustainable development of the national economy. Further improvement of enterprise support mechanisms and development of new effective measures to ensure their sustainable development will serve to ensure the competitiveness of the republic's economy and strengthen its position in the foreign market.

The study of factors affecting the level of industrial competitiveness showed that the most important factors are the formed macroeconomic and competitive environment, scientific and technical potential, the scale of participation in the international division of labor, investments, the quality and efficiency of the financial system, the state of infrastructure, the qualification of labor resources, etc.

One of the most important factors for ensuring competitiveness is a well-developed development strategy based on extensive marketing research, a high level of management, providing for the use of modern market models (systems requiring the use of process technologies such as a harmonized indicator system, a total quality indicator, a quality management system, etc.), modern equipment and technologies that allow the implementation of innovative solutions.

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