

Financial Performance Management System as a Factor of Efficiency of a Balanced Financial Management System

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Abstract--- In the article have been described the financial results and their economic content. The features of the national model of the system of formation and distribution of financial results are highlighted. The functional elements of managing the formation and distribution of financial results are systematized. As a result of the research, the scientific views of foreign and domestic economists on financial results are illuminated through scientific abstraction. The system of formation and distribution of financial results as a result of systematic analysis of endogenous and exogenous factors affecting financial results in real sector enterprises has been empirically evaluated. The article uses the theoretical methods of scientific knowledge and thinking, ie scientific basraction, vertical, horizontal, comparative analysis. The synthesis method was used to generalize the conclusions about the effective management of financial results. Based on this database, which used the real database for 2013-2018 as a database of empirical analysis in the article, tables consisting of dynamic series, graphic illustrations were formed. The results of the study serve as an important methodological basis for raising the balanced profitability of grain and grain products in the Republic of Uzbekistan (joint-stock companies within the joint-stock company "Uzdonmahsulot") above the average market level in the national economy. The practical significance of the results obtained in the scientific article is explained by the fact that in joint-stock companies are based on factors and opportunities for sustainable increase in profitability by maximizing qualitative and quantitative profit. At the same time, recommendations have been developed to attract investment in the technological modernization of fixed assets, which will ensure the intensive development of operational activities in enterprises. These proposals will create opportunities for the production of competitive products by national joint-stock companies that process grain and grain products. The scientific novelty of the article is explained by the fact that scientific views on financial results have been researched and generalized. Also, a model based on the boundary criteria of an effective financial management system for intensive development of income, expenses and net financial results, ie dynamic growth of profits for certain types of activities in enterprises operating in the real sector.

Keywords--- Financial Result, Real Sector, Net Financial Result, Investment Activity, Functional Element, Monetary Income, Current Expenses, Excess Liquidity, Bilateral Loss, Profitability.

I. Introduction

In world practice, the main factor in the efficiency of large corporate business structures, their competitiveness and maximization of market value are the financial results obtained as a result of production and commercial activities. Because the efficiency of the formation of financial results is not only an increase in profitability, but also the main indicators of the intensive description of production activities, available labor and financial resources and the rational use of capital. According to international experts from the British newspaper The Economist, one of the top 10 risks for the global economy in 2019 is the increase in debt financing practices in recent years due to poor corporate bonds. According to Moody's international rating agency, the volume of risky corporate bonds (Junk bonds) in 2019 amounted to \$ 2.7 trillion. This trend is due to the weakening of domestic funding sources as a result of declining profitability of large corporate structures in the real sector [1].

The financial aspects of the effective implementation of large and strategic projects in enterprises operating in the real sector depend on the investment attractiveness of enterprises, the increase of which depends in many respects on high-profit production activities. A high level of net financial performance forms the basis of a system of self-financing, the ability to repay debt obligations to creditors, the financial interests of owners and the social needs of society.

II. Literature Review

The efficiency and effectiveness of business entities has been in the interest and attention of the general public, especially a group of economists. Determining a net financial result is a complex process, and various alternative methods and evaluation rules apply in economics. Economists P. Valton, A. Haller and B. Rafforner define profit as a theoretical concept that depends on the rules of valuation. [2]

Economists T. Copeland, T. Koller, D. Murin, argued that business efficiency management policies aimed at increasing value added include the establishment of an adequate system of control over key performance, investment opportunities and the formation of an optimal system of financing the corporation's expanded production activities. [3]

Research by M.I.Kuter confirms that between 1392 and 1400, the Profit and Loss scheme was systematized annually. The profits earned were not added to the capital, but were appropriated by the owners. [4] Hence, the process of recapitalization of profits, which is a net financial result, is not taken into account in such an accounting system. Which, in this process, the dialectical relationship between capital growth and financial results is not taken into account in the accounting system.

The founders of classical economic theory, A. Smith and D. Ricardo, on the other hand, argued that the source of pure financial result (profit) was in production. A. Smith points out that the value added directly to manufacturing materials is divided into parts such as: wages and benefits to the entrepreneur. [5]

The need for a rational organization of the management system is related to the problem of managing resource savings. The genesis of this problem can be traced back to K.R. McConnell and S.D. Brewers emphasizes the following two facts:

- The existing economic needs of society, which includes the material needs of individuals, are infinite and can not be met;
- Economic resources, ie the objects and means of production of goods and services are limited. [6]

Russian economists, V.K. Belyaev and M.N. In the context of these two dilemmas, the Nurembergtg argue that the integrated systematic management of the rational use of resources on a community scale is a complex process. Recognize that the implementation of a management system aimed at intensifying economic development at the level of economic entities is optimal, and that policies aimed at maximizing the economy are implemented through cost and cost management. [7]

Economist, V. Riger points out that the financial result (profit) remaining after tax is made up of two main components, such as inflation and exploitation. It also emphasizes that the aggregate of actual financial results in value equivalent can only be determined after the cessation of operations.

Some Uzbek economists, as well as Khodiev B. Y. [16], Mustafakulov Sh. I., [17] and others proposed evaluation methodology for integrated assessment of production capacity management, which is based on qualitative and effective indicators of production capacity management. Methodology for assessment the efficiency of production capacities management at textile enterprises were investigated by B. O. Tursunov in other works [18], but they have not investigated problems of financial performance management system in enterprises.

III. Research Methodology

The socio-economic characteristics of the financial results of enterprises during the research activities within the framework of this article are systematized by the method of scientific abstraction. The effectiveness of the formation and distribution of financial results in national companies has been empirically evaluated on the basis of a vertical analysis methodology. Also, as a result of the analysis of indicators of the formation of financial results and the dynamics of its distribution system, the effectiveness of financial results management in different joint-stock companies is compared.

IV. Analysis and Discussion of Results

At the beginning of the XXI century, the notion that financial results are the end result of the activities of enterprises, organizations, industries, regions, countries for a certain period has become widespread. The final result

of this provard is defined as the difference between the amount of cash received for certain types of activities and expenses. In enterprises, it is defined as the difference between sales revenue and full cost. The financial result in the economic context does not have to be consistent with the financial result in the legal context.

As we can see from the table, despite the existence of general principles for determining the financial result, we can see a different polysemantic approach in clarifying it.

Table 1: Interpretation of Financial Results by Economists

№	Author	Counry	Profession	Clarification	Source
1.	J.Hiks	United Kingdom	Economist-financier	The financial result is an increase in capital during the reporting period. The loss is a corresponding decrease in capital.	D.R. Hicks Stoimost and capital. M.: Progress, 1993. 487 p. [12]
2.	Y. Shumpeter	Austria	Economist, politician, sociologist	The financial result is the difference between the firm's revenue and expenses.	Shumpeter Y. Theory of economic development (research of predprinimatelskoy pribyli, capital, credit, interest and the conjuncture of the cycle). M.: Progress, 1982. 455 p. [13]
3.	I. Fisher	United States	Economist-financier	The financial result is an increase in the valuation of assets during the reporting period due to changes in profitability.	Fisher I. The nature of capital and income. New York: Macmillan, 1930. 29. Walton P., Haller A., Raffourner B. International Accounting. London: Thomson, 2003. 430 p. [14]
4.	V. Riger	Germany	Economist	Financial result is the difference between the funds accumulated during the whole period of activity and the funds at the time of establishment of the enterprise.	Sokolov Ya.V., Sokolov V.Ya. History of accounting. M.: Magistr, 2011. 287 p. [15]

In the definition given by the British economist John Hicks, the main emphasis on profit or loss as a financial result is expressed by quantitative indicators of its direct and inversely proportional change with the private capital of its owners.

Undoubtedly, in the current context of the methodology for valuing financial results, the value of shares is of great importance, and the two main functions of profit as a net financial result are relevant from the point of view of financial management. Y.Shumpeter describes financial results based on the classical algorithm of its determination. It refers to the sources of income received by economic entities as revenue.

According to the American economist I. Fisher, the financial result is expressed through the relationship between the change in profitability, ie efficiency, and the change in the value equivalent of the change in the value of assets. The function of the main indicator of efficiency means that profitability and profitability are the main absolute and relative indicators of business success. The competitiveness of firms is the main determinant of their financial potential.

Economist N. Monnery recommends using the intrinsic value of business profitability to assess the performance of businesses. [8] In this view, the calculation of the intrinsic value of business profitability is based on the financial results that are formed. Therefore, there is no consensus on the content of the categories "Financial results" and "profit", their functional functions in the system of financial management.

Economist N.A. According to Breslavtseva [9], practice requires the formation of a broader generalized indicator of financial results. Such an indicator recognizes the need for an indicator that reflects the property status of the institutional units and represents a complete picture of financial stability. Such an indicator is called a global financial performance indicator. A. Smith, the founder of the first classical theory, also gave his views as an indicator of such a universal description. In particular, A. The following formula was proposed by Smith:

$$G_r = (A_n - K) - (A_{n-1} - K) \quad (1)$$

Here, while global productivity (G_r) represents the value of property values at the beginning and end of the year ($A_n; A_{n-1}$), the difference between them is defined as the difference between fixed capital (K) advanced to production from these property values, representing global productivity.

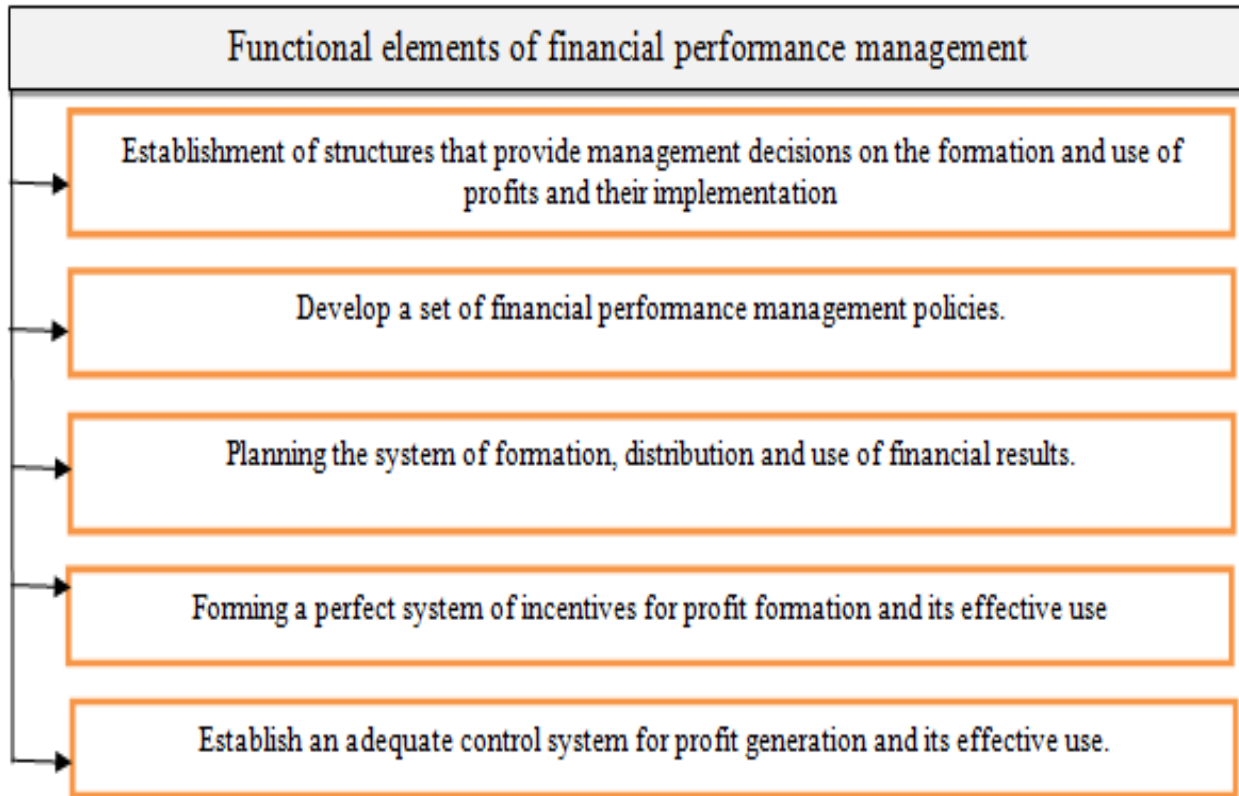


Figure 1: Basic Functional Elements of Financial Performance Management

As can be seen from Figure 1, one of the main functional elements of financial performance management is the formation of adequate institutional systems and structural improvement of its internal divisions, delegation of powers between local system elements and assignment of responsibility centers.

Economist Blank I.A. Focusing on one of the main functional elements of financial results management, emphasizes that the planning system and methods form the basis of the mechanism of financial results management. [10] In his view, the process of planning financial results is a set of measures that ensure the formation and use of financial results in accordance with the goals and objectives of enterprise development. Based on the above definitions, the financial results can be defined as a type of activity related to the realization of the set goals for the effective management of financial results as one of the objects of planning.

The method of extrapolation shown in Figure 2 is based on the results of the horizontal (or trend) dynamics of financial results formed by separate types of activities: net income, gross profit, profit from financial activity, profit from general economic activity, balance sheet profit and net profit. Because any business process has an inertial character, it is divided into opportunities with a perspective assessment of financial results based on the trend of dynamic series. This can be calculated using the following formula:

$$F_{PP} = F_{CP} * I + \xi \quad (2)$$

Hence, perspective assessment (forecasting) of financial results (F_{PP}) is determined by multiplying the reporting indicators (F_{CP}) and the dynamic index change of financial results. Expressing the standard deviation of the ξ -result indicator represents the degree of deviation in terms of factors influencing the plan.

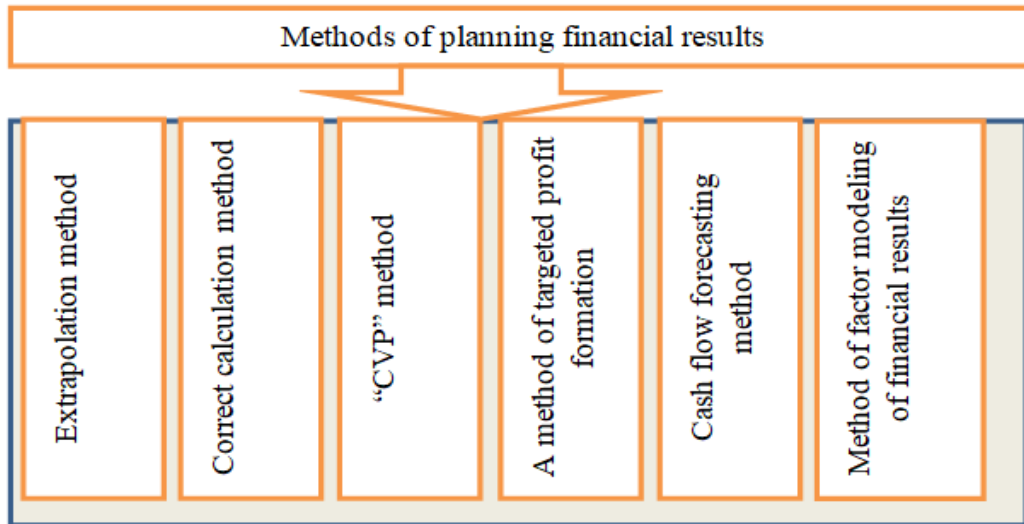


Figure 2: The Most Widely Used Methods of Planning Financial Results

The formation of profit by combining the profits of the enterprise with the net financial result depends on the activities of enterprises. According to the current Regulation "On the structure of costs of production and sale of goods (works, services) and the order of formation of financial results", the formation of a net financial result consists of several stages, which include all aspects of financial and economic activities. This, in turn, depends on the formation of profits, along with the main activity, ancillary economic and financial activities, as well as the types of emergency activities. This can be expressed by the following formula.

$$C\Phi = \underbrace{\underbrace{\underbrace{(T_{cc} - IT)}_a - D_X + B_D - B_3}_b + M_D - M_X}_c + \underbrace{\Phi_\Phi - \Phi_3 - \Phi_C - \Phi_{BC}}_d \tag{1}$$

From the above formula we can see that net profit, ie net financial result, is an integral indicator that combines a wide arsenal of financial results (cash income) and expenses as a result of financial economic activity. While component *a* in the calculation of net profit represents gross profit, component *b* includes component *a*, including the profit from operating activities. Hence, the *b*-component enterprises incorporate the net financial results of the main and auxiliary economic activities.

The experience of developed countries in modern conditions shows that the share of net financial results from financial activities in the formation of net profit of most companies operating in the real sector is significant. This trend depends on a number of factors. In particular, the availability of additional financial resources as a result of the judicious use of economic potential is based on the availability of financial resources in excess of financial operational needs for the process of reproduction of such reserves. In addition, economist R.Kh. Karlibaeva noted that the introduction of modern models and tools of effective financial management system or effective cash flow management systems (Sash flow management, Cash budgeting) in the asset management policy will generate additional income through the investment of relatively recurring surplus funds in financial assets. options are created [11]. In the formula we are analyzing, this integral net financial result is reflected in the component *s* and is called in practice the profit from general economic activity. Hence, this component of the formation of a net financial result is ensured not only through the intensive use of economic potential, but also through the improvement of the institutional framework of the existing system of rational management of financial resources.

Component *d* of the formation of the net financial result reflects extraordinary gains and losses, which in practice is referred to as pre-tax profit. Extraordinary benefits are benefits that are not provided for in the current legislation, are of an accidental nature, arise and are expected to arise as a result of transactions of an incident or nature that go beyond the scope of normal activities of the business entity. Thus, the profit received before the payment of taxes includes not only the efficiency of financial and economic activities of enterprises, but also the possibility of profit formation under the influence of various endogenous and exogenous factors.

From the general trend in the analyzed period, it can be concluded that the share of cash income from operating activities (revenue from product sales and other income from operating activities) in the sources of net financial result formation is high, while the impact of this income change trend on total income change trend is strong.

The share of net revenue from product sales in total revenues in 2013-2018 min-95.31; oscillating in the max-99.6 range. This means that more than 95% of revenues are generated from net income. The highest rates of cash inflows from operating activities were in 2014 (99.6% and 0.4%), 2015 (98.65% and 0.75%) and 2018 (97.54% and 1.86%). observed that monetary income was mainly accounted for by these types of activities.

Thus, the main share in the structure of monetary income, which is a source of net financial result (net profit) of financial and economic activities of the enterprise.

It is known that increasing the net financial result for certain types of activities due to economic factors of increasing cash income is a form of extensive growth, and this financial management strategy does not provide opportunities for enterprises to compete in the near future or maximize market value. Therefore, it is recommended to follow the following model as the boundary criteria of an effective financial management system of intensive development of dynamic growth of income (T_δ), costs (T_x) and net financial result (T_ϕ) for certain types of activities:

$$T_x \leq T_\delta \leq T_\phi \quad (2)$$

In a business system, managing financial results based on these criteria ensures that net profit is maximized. Based on the above criteria of financial performance management efficiency, the expected efficiency indicator is the formation of net financial results for certain types of activities.

From the data in Table 2, we can see that the main activity for 2013-2018 was completed with a profit. Although there was a weak increase in cash income for certain types of activities during the analyzed period, a decrease in the nominal amount of net profit was observed. In particular, in 2013 the net profit amounted to 170.6 mln. soums, and in 2014 it had a sharp downward trend. Although the growth rate has been observed since 2016, in 2017 the activity was 12402.2 mln. ended with a loss of UZS.

Table 2: Formation of Net Financial Results in Uchkurgandonmahsulotlari JSC (Million Soums)

Indicators	2013	2014	2015	2016	2017	2018
Main operating profit (-) loss	857,2	720,3	998,6	1819,7	-4581,5	5989,1
Profit from financial activities (-) loss	-582,1	-614,4	-901,4	-1705,2	-7820,7	-2056,1
Benefits of general economic activity	275,1	105,9	97,2	114,5	-12402,2	3933
(-) damage	170,6	22,6	25,7	30,1	-12402,3	3529,9

In 2018, the net profit will be 3529.9 million. soums, and it can be seen from the indicators that the main operating profit played a source role in the formation of net profit. However, financial activity ended in loss. In particular, the loss on financial activities in 2013 amounted to 582.1 mln. In 2017, it amounted to 7,820.7 million soums. soums. As a result, this trend has further influenced the end of activities with losses. Although the reduction in losses on financial activities in 2018 was achieved, the decrease in the quantitative indicators of net profit was affected. Hence, on the basis of the above data, it can be concluded that the chaotic change in the formation of net profit has not led to a systematic approach to the management of profitability and the factors affecting it. In addition, as a result of problems with the formation and management of capital optimal, the result of financial activity has a negative impact on the formation of a net financial result. This situation makes it necessary to make decisions on the formation of the optimal composition of capital in the future.

This is because in all periods under analysis, financial activity ends in a loss. In particular, in 2017, the activity ended in a loss as a result of the observation of a twin loss. In 2018, the enterprise ended with a profit due to the growth of operating profit and minimization of losses on financial activities.

Thus, the loss of activity in 2017 depended on the following factors:

- The enterprise is armed with technologically obsolete fixed assets and problems in the system of administrative and transactional cost management have led to the loss of the main activity;
- Dependence on borrowed funds, financial activity ends in loss as a result of non-compliance with systematic approaches to the formation of the optimal composition of capital;
- As a result of incorrect assessment of financial and operational needs for current assets, the concentration of resources in current assets exceeded the established norm.

The loss of financial activities was observed as a result of the high weight of liabilities on the balance sheet, including current liabilities. As a result, the high proportion of liabilities in total liabilities and the high proportion of current liabilities in its composition led to an increase in costs in the form of interest payments to the enterprise. Second, the higher level of the value of borrowed capital than the economic profitability of the enterprise, led to a loss of the effect of financial support and a decrease in the return on private capital. In general, it should be noted that as a result of problems with the formation of an optimal system of capital management in the enterprise, excessive debt capital leads to a significant burden of additional financial costs.

The low level of economic profitability was also due to the high level of tanning costs and period costs. We can see this through the data in the table-3 below.

Table 3: Formation of financial results of the main activity of Uchkurgandonmahsulotlari JSC

Indicators	2013 y.	2014 y.	2015 y.	2016 y.	2017 y.	2018 y.
Net sales from sales, mln. sum	43227,6	53660,9	62893,7	65310,7	84053,7	112537
Cost of goods sold, mln. sum	39142,9	48418,4	56955,6	58805,9	81700,6	100630
Gross profit of the product sold	4084,7	5242,5	5938,1	6504,8	2353,1	11906,9
The share of cost in net income, in%	90,55	90,23	90,56	90,04	97,20	89,42
Share of gross profit in net income, in%	9,45	9,77	9,44	9,96	2,80	10,58

Source: It is formed on the basis of annual financial statements of JSC "Uchkurgandonmahsulotlari"

The data in Table 3 confirms that the revenue from the sale of products, which is the main source of cash income of the enterprise in 2013 amounted to 43227.6 mln. soums, of which 90.55% is the cost of production. Gross profit this year amounted to 4084.7 mln. soums and had a weight of 9.45%. By 2018, the revenue from sales will reach 112537 million. soums, the cost of which decreased by 89.42%. The share of gross profit in revenue reached 10.58%. Thus, in recent years, there has been an increase in the share of gross profit in revenue, which is a source of operating income, due to cost savings.

Although the share of gross profit has increased as a result of the downward trend in the cost of goods sold over the past 2 years, the average cost share in real sector enterprises remains high.

In particular, the annual nominal growth of gross profit (GNP) in 2015 compared to 2014 amounted to 695.6 mln. soums, and in 2016 - 566.7 mln. soums, there was a downward trend in annual nominal growth. In 2017, there was a decrease (-4151.7 million soums) rather than an annual nominal increase. This, in turn, is due to the high annual nominal growth of cost (DT) relative to the annual nominal growth of net income (DMRST) from product sales. In particular, the annual nominal growth of revenue from the sale of products (DMRST) in 2016 was the lowest (2417 million soums), which is 18743 million soums more than in 2016. formed the son.

Table 4: Nominal Annual Growth of Financial Results of the Main Activity of Uchkurgandonmahsulotlari JSC (mln. Soums)

Indicators	2014 y.	2015 y.	2016 y.	2017 y.	2018 y.
Annual nominal growth of net revenue from product sales, $\Delta MPCT = MPCT_n - MPCT_{n-1}$	10433,3	9232,8	2417	18743	28483,4
Annual nominal increase in the cost of goods sold $\Delta T = T_n - T_{n-1}$	9275,5	8537,2	1850,3	22894,7	18929,6
Annual nominal growth of gross profit of sold product, $\Delta \Phi = \Phi_n - \Phi_{n-1}$	1157,8	695,6	566,7	-4151,7	9553,8

Source: It is formed on the basis of annual financial statements of JSC "Uchkurgandonmahsulotlari"

However, the annual nominal increase in the cost of goods sold (ΔT) in 2016 was 1850.3 mln. soums, while the annual nominal growth (ΔT) in 2017 compared to 2016 was the highest in the analyzed period, ie 22894.7 mln. soums. This situation led to a decrease in gross profit, not an annual nominal increase.

To get a clearer view of this scene, we refer to the following image data. The increase in net revenue from product sales in 2016 compared to 2015 (T_{mpct}) was 103.84%, and the growth in 2017 compared to 2016 (T_{mpct}) was 128.7%.

If we calculate this nominal indicator on the basis of purchasing power parity on the basis of the average consumer price index in the Republic, it confirms that there is no real growth in production. This is a major factor that negatively affects the real market value and investment attractiveness of the enterprise. In turn, in the strategic

context, the above circumstances require the deepening of systematic work on the production of competitive goods and the development of new markets through the modernization of production at the enterprise.

Thus, adherence to model (2.2), which represents the marginal criteria of an effective financial management system for dynamic growth of income (T_δ), expenditure (T_x) and net financial result (T_ϕ) relative to the main activity, creates opportunities to maximize the net financial result of the main activity.

The analysis showed that the policy of generating cash income in the enterprise is mainly focused on meeting the needs of attracting the necessary financial resources for a continuous production process.

It is known that the income and expenses received by the types of activities of the enterprise form the basis of net profit, which is a net financial result. The absolute increase or decrease in profit depends on the dynamic rate of change of income and expenses. This can be calculated using the following formula, which incorporates a factor model of net profit change:

$$\Delta P = \Delta E - \Delta S \quad (3)$$

Here ΔP - is an absolute indicator of the annual dynamic change of profits; ΔE - is an absolute indicator of the annual dynamic change in income, and ΔS - is an absolute indicator of the annual dynamic change in total costs.

The absolute changes in this dynamic description depend on the internal structural changes, and by calculating the absolute indicators of structural changes we can be able to determine the contribution of the types of activities in the formation of pre-tax profit ($\Delta P^{ct\phi}$). This can be calculated using the following formula:

$$\Delta P^{ct\phi} = (\Delta E^{a\phi} + \Delta E^{m\phi} + \Delta E^{6\phi}) - (\Delta S^{a\phi} + \Delta S^{m\phi} + \Delta S^{6\phi}) \quad (4)$$

Formula 4 can be restructured in terms of calculating the share of net profit in the formation of individual activities as follows:

$$\Delta P^{ct\phi} = (\Delta E^{a\phi} - \Delta S^{a\phi}) + (\Delta E^{m\phi} - \Delta S^{m\phi}) + (\Delta E^{6\phi} - \Delta S^{6\phi}) \quad (5)$$

Here, $\Delta P^{ct\phi}$ - represents an absolute indicator of the annual dynamic change in operating profit (through income and expenses). The equation $(\Delta E^{m\phi} - \Delta S^{m\phi})$ represents the absolute indicator of the annual dynamic change in profit (through income and expenses) of financial activity, and the limit $(\Delta E^{6\phi} - \Delta S^{6\phi})$ represents the absolute indicator of annual dynamic change in profit (through income and expenses) from other sources of activity.

These criteria include, first of all, the extensive development factors associated with the maximization of monetary income (increase in revenue from product sales), which is the material basis of the profit received for each type of activity. In addition, the maximum cost savings (efficient use of resources), which leads to a decrease in net profit for each type of activity, incorporates a system of intensive development to maximize profits.

Table 5 shows that the annual absolute change in operating income ($\Delta E^{a\phi}$) had a declining trend. In particular, the absolute increase in 2014 compared to 2013 amounted to 10448.9 mln. In 2015, it amounted to 9490.5 million soums. soums. The absolute increase compared to 2014 was 958.3 mln. decreased by UZS. Thus, in 2013-2015, there was an increase in the nominal amount of income, and this annual growth had a relative downward trend ($\Delta E^{a\phi}_{2014} > \Delta E^{a\phi}_{2015}$). The figure for 2016 (-17490.3 million soums) means that the nominal income was lower than in previous years.

Table 5: Information on Income and Expenses by Type of Activity and Absolute Annual Change of Profit before Tax (mln. Soums)

№	Indicators	2014	2015	2016	2017	2018
1	$\Delta E^{a\phi}$	10448867	9490519	2987516	18514404	29809727
2	$\Delta S^{a\phi}$	10585692	9212228	2166395	24915701	19239023
3	$\Delta P^{a\phi} = \Delta E^{a\phi} - \Delta S^{a\phi}$	-136825	278291	821121	-6401297	10570704
4	$\Delta E^{m\phi}$	-15119	386808	-254873	3184992	-2625570
5	$\Delta S^{m\phi}$	17244	673770	548989	9300504	-8390213
6	$\Delta P^{m\phi} = \Delta E^{m\phi} - \Delta S^{m\phi}$	-32363	-286962	-803862	-6115512	5764643
7	$\Delta P^{ct\phi}$	-169,2	-8,7	17,2	-12516,7	3933,1

The same trend can be observed in operating expenses. In particular, the absolute increase in expenditures in 2014 compared to 2013 amounted to 10,585.7 mln. soums, and the absolute increase in 2015 amounted to 9212.2 mln. soums. The absolute increase in expenditures in 2015 compared to 2014 ($\Delta S^{a\phi}_{2014} > \Delta S^{a\phi}_{2015}$) was -1373.5 mln. decreased by UZS.

As a result, although the main activity has benefited, its annual absolute growth rate ($\Delta P^{a\phi} = \Delta E^{a\phi} - \Delta S^{a\phi}$) has a downward trend in 2014 compared to 2013, with an absolute decrease of -136.8 million. In 2015, the absolute growth trend amounted to 278.3 million soums. The figure for 2016 (-17684.1 million soums) means that the nominal amount of expenditures was lower than in previous years. Although this year saw a decline rather than an absolute increase in operating income and expenses, the absolute increase in operating income was \$ 193.8 million. soums. This, in turn, is ensured by maximizing cost savings compared to the downward trend in revenue from sales of products that are a source of profit in the enterprise.

The analysis shows that the income from financial activities ($\Delta E^{m\phi}$) in the enterprise in 2014 compared to 2013 amounted to -15.1 mln. soums. Expenditures on financial activities ($\Delta S^{m\phi}$) in absolute terms compared to 2013 amounted to 17.2 mln. soums. As a result, the absolute increase in losses, not profit on financial activities, amounted to -32.4 mln. soums, which has a positive effect on the absolute annual decrease in profits before taxation. This indicator is also observed during all periods under analysis, and the results of financial activities in the enterprise are characterized by a reduction in profits before taxation. This, in turn, requires the financial services system to develop measures to minimize costs and restructure financial activities in the context of maximizing net profit.

V. Conclusion and Recommendations

1. Management of financial results is interdependent, but from the point of view of the management system approach incorporates the prism of independent tasks. The effective organization of the financial results management system is ensured through an integrated systematic approach that reflects the combination of defined tasks and a number of functional elements.
2. The dynamic nature of the transition economy requires a new approach to the management of financial results in a dynamically changing internal and external environment, based on flexible and economically feasible principles. In particular, the transition from the traditional system of financial analysis to the method of complex financial diagnostics, the transition from the system of traditional financial control to the system of continuous financial monitoring, which provides the threshold criterion of "harmless production" is a matter of urgency.
3. In order to increase the efficiency of the formation of cash income for certain types of activities, which are the source of net financial results of enterprises, the following practical tasks should be addressed in the strategic context:
 - Increase in quantity and quality of gross profit by increasing the volume of production and sales of goods and services;
 - Constantly increase the range of sources of income, pursue an active assortment policy through the launch Of new production facilities;
 - implementation of systematic work on the formation of cash income not related to the main activity;
 - It is necessary to use opportunities to increase income from financial activities by investing cash in short-term assets, which is an element of excess liquidity in current assets.
4. High-level operating expenses result in a weak and almost non-existent source of profit from operating activities and a net financial result from financial activities, resulting in a loss of profit from general economic activities.

In our opinion, the following practical tasks should be addressed in the future development strategy of enterprises:

1. Quantitative and qualitative increase in gross profit by increasing the volume of production and sales of goods and services.
2. Constantly increase the range of sources of income, pursue an active assortment policy through the launch of new production facilities.
3. Carry out systematic work on the formation of cash income not related to the main activity.
4. It is expedient to reduce financial costs by reducing current liabilities by reducing the excess of inventories in excess of the optimal level of current assets, by reducing financial operating needs for current activities by repaying receivables.
5. It is necessary to use opportunities to increase income from financial activities by investing cash in short-term assets, which is an element of excess liquidity.

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