

## MODELING OF THE ANALYSIS OF THE FINANCIAL STATE OF THE BUSINESS ENTITY

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*The World Bank predicts that Uzbekistan's economy grows by 5.3 percent in 2024, according to the World Bank's new report "Review of European and Central Asian Economies"<sup>3</sup>. According to the report, economic growth is mainly due to the continuation of structural reforms. In particular, making large investments in the development of the energy industry has an impact on restructuring of state-owned enterprises and privatization of their assets. Acceleration of productivity growth in economic sectors is considered as an important factor in ensuring stable forecast indicators of the country.*

*Within the framework of the tasks defined in the decree of the President of the Republic of Uzbekistan No. DP-158 of September 11, 2023 The Strategy of "Uzbekistan - 2030", in order to double the size of the economy by 2030 and "to increase its income from the average in terms of entering<sup>4</sup> the ranks of "high countries", it is important to increase the productivity of 688,345 (as of January 1, 2024) (excluding farms and agriculture) enterprises and organizations operating in the country and their financial stability.*

**Keywords:** *financial analysis, investments, financial bonds, economic models, indicators, analysis, financial analysis, financial analysis status, financial statements, financial reports, elements of financial reporting.*

**Review of Literature.** In the new report of the World Bank "Review of the economies of Europe and Central Asia", the slowing down of foreign trade, acceleration of the attraction of large investments, slowing of inflation, and increase in financial obligations<sup>5</sup> were found to be important factors in the growth of macroeconomic indicators in the country. The mentioned factors directly affect the financial condition of economic entities.

In the "Regulations on the analysis of the financial and economic situation of state-owned enterprises" approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 1013 of December 14, 2018, mainly the attention is paid to the solvency or coverage ratio; coefficient of provision with own working capital; the profitability ratio of assets and expenses.<sup>6</sup>

The Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 207 of July 28, 2015, "On the introduction of criteria for evaluating the efficiency of the activities of joint-stock companies and other economic entities with a share of the state" focused on the effectiveness of financial and partial management indicators<sup>7</sup>.

<sup>3</sup> <https://www.vsemirnyjbank.org/ru/news/press-release/2024/04/11/sluggish-growth-delaying-economic-recovery-in-emerging-europe-and-central-asia>.

<sup>4</sup> <https://lex.uz/ru/docs/-6600413>.

<sup>5</sup> <https://www.vsemirnyjbank.org/ru/news/press-release/2024/04/11/sluggish-growth-delaying-economic-recovery-in-emerging-europe-and-central-asia>.

<sup>6</sup> Appendix 2 of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 1013 of December 14, 2018 "Regulations for the analysis of the financial and economic condition of state-owned enterprises".

<sup>7</sup> Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 207 dated July 28, 2015, "On the introduction of criteria for evaluating the efficiency of the activities of joint-stock companies and other economic entities with a state share."

In the economic references, the financial state of enterprises is approached based on the system of indicators representing the financial state based on the laws and regulations, or on the basis of the 08.00.00-Economic sciences based on their specialization. In particular:

Prof. M. Pardayev: - "Financial potential (potential) of the enterprise is defined as a set of financial funds from various sources that fully support its activities";<sup>8</sup>

Prof. A.Vahobov and T.Malikov: - noting that the general financial state of the country is determined by the financial condition of these enterprises, to determine the financial condition of the enterprise. Moreover, liquidity, the indicator of the provision of current assets with their own working capital and other criteria were cited.<sup>9</sup>

The financial condition of economic subjects was evaluated by foreign scientists based on models such as Altman, Zavgren, Lees, Tafler and Tishou, Olson, Fulmer, Springate, Conan Galder, Beaver<sup>10</sup>.

**Analysis and results.** Based on the description given to the financial stability of the enterprise in the normative frameworks and economic literature, it can be noted that this concept is comprehensive. However, the system of indicators representing the financial state is embodied in the general indicators of balance sheet (report on the financial condition) regardless of which direction it is viewed from. Financial not only by analyzing the situation and changes in it to the effectiveness and efficiency of the processes, but also to them future expectations are also predicted. And this is competitive becomes more important in economic conditions.<sup>11</sup> Based on the theoretical point of view, the econometric relationship of the assets and their sources<sup>12</sup> of origin and financial results of the joint stock company "Norin cotton ginning" was studied (located in Namangan region, Norin district). In the course of the study, the relationship of 13 financial indicators with net profit was analyzed. According to the results of the analysis, the indicators related to the four balance sheets (financial state) and financial results (profit and loss) of the joint-stock company "Norin cotton ginning" are taken as a basis.

**Discussion.** Tahlil natijalariga binoan, subyektning moliyaviy holatiga buxgalteriya balans (moliyaviy holat to'g'risidagi hisobot) va moliyaviy natijalarini ifodalovchi quyidagi ko'rsatkichlarining ekonometrik bog'liqligi o'rganildi:

According to the results of the analysis, the econometric dependence of the following indicators representing the financial condition of the entity (statement of financial position) and financial results were studied:

- 1 Fixed Assets (X1);
- 2 Depreciation of the fixed assets (X2);
- 3 Intangible assets (X3);
- 4 Depreciation of the Intangible assets (X4);
- 5 Other long-term assets (X5);
- 6 Funds (X6);

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<sup>8</sup> Pardayev M.Q., Israilov B.I. Economic analysis. Study guide. Part 1. - T.: "World of Economics and Law", 2001. - p. 115.

<sup>9</sup> Vahobov A.V., Malikov T.S. Finance. Textbook. - Tashkent: "Noshir", 2012. Page 712.

<sup>10</sup> K.R. Subramanyam "Financial statement analysis", eleventh edition Published by McGraw-Hill Education, 2 Penn Plaza, New York, NY 10121. Copyright © 2014 by

<sup>11</sup> Fayziyev, U. Sh. (2024). financial report and its comparative analysis.

<sup>12</sup> <https://new.openinfo.uz/organizations/283?active-collapse=reports>

- 7 Accounts receivable (X7);
- 8 Commodity (X8);
- 9 Private equity (X9);
- 10 Long-term loans and debts (X10);
- 11 Short-term loans and debts (X11);
- 12 Accounts payable (X12);
- 13 Profit from product sales (X13);
- 14 Net profit (Y).

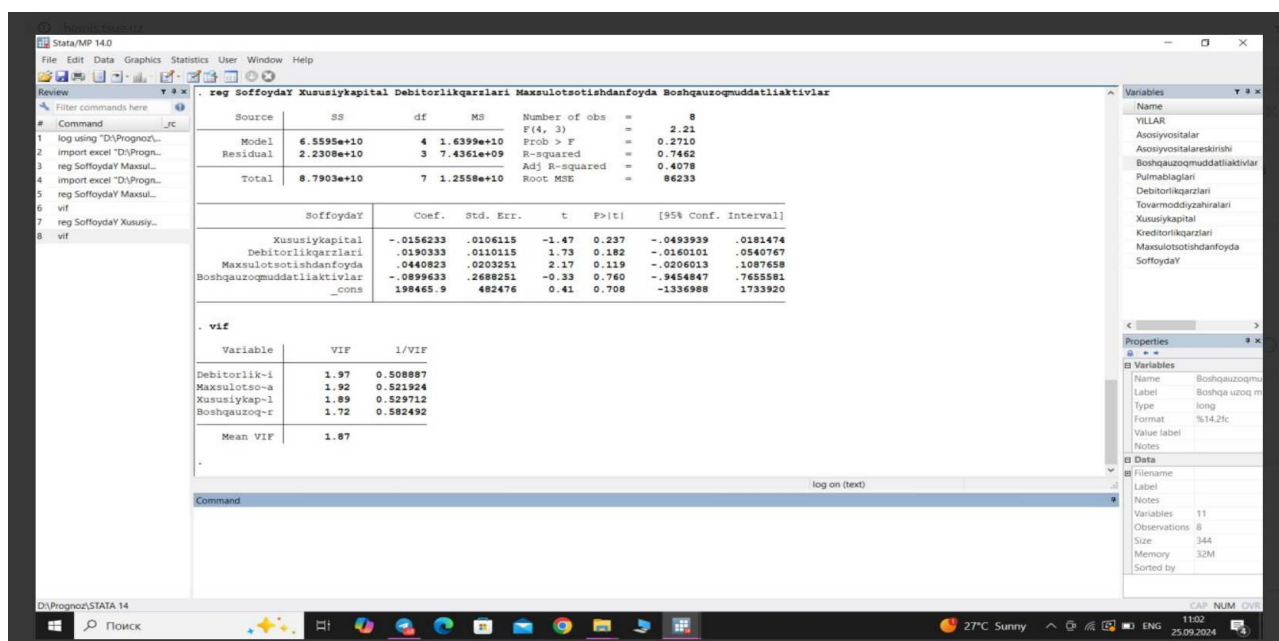


Figure 1. – Correlation of private capital, accounts receivable, profits from sales of products and other long-term assets

According to the results of the study, the correlation of private capital, receivables, profit from product sales, other long-term assets with net profit meets the specified requirements, the effect of X1, X2, X3, X4, X6, X8, X10, X11, X12 on the outcome measure Y was estimated inversely.

**Conclusion.** Based on the relationship between the financial indicators of the economic entity, the following dependence was established:

$$Y = -0.156233X_9 + 0.019033X_7 + 0.0440823X_{13} - 0.0899633X_5 + 198465.9$$

Based on the correlation of the results with the factors, it should be noted that the increase of private capital and other long-term assets by one unit decreases the net profit by - 0.156233 and 0.0899633 coefficients, respectively. It was found that an increase in receivables and profit from product sales by one unit increases net profit by 0.019033 and 0.0440823 coefficients, respectively.

## References

1. Appendix 2 of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 1013 of December 14, 2018 "Regulations on the analysis of the financial and economic condition of state-owned enterprises".

2. Resolution No. 207 of the Cabinet of Ministers of the Republic of Uzbekistan dated July 28, 2015, "On the introduction of criteria for evaluating the performance of joint-stock companies and other economic entities with a state share."
3. Pardaev M.Q., Israilov B.I. Economic analysis. Study guide. Part 1. - T.: "World of Economics and Law", 2001. - p. 115.
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5. K.R. Subramanyam "Financial statement analysis", eleventh edition Published by McGraw-Hill Education, 2 Penn Plaza, New York, NY 10121. Copyright © 2014 by.
6. Fayziyev, U. Sh. (2024). Financial report and its comparative analysis. <https://new.openinfo.uz/organizations/283?active-collapse=reports>.

## **МОДЕЛИРОВАНИЕ АНАЛИЗА ФИНАНСОВОГО СОСТОЯНИЯ ПРЕДПРИЯТИЯ**

*Всемирный банк прогнозирует, что экономика Узбекистана вырастет на 5,3 процента в 2024 году, говорится в новом докладе Всемирного банка «Обзор экономик Европы и Центральной Азии». Согласно отчету, экономический рост в основном обусловлен продолжением структурных реформ. В частности, крупные инвестиции в развитие энергетической отрасли влияют на реструктуризацию государственных предприятий и приватизацию их активов. Ускорение роста производительности в отраслях экономики рассматривается как важный фактор обеспечения стабильных прогнозных показателей страны.*

*В рамках задач, определенных в постановлении Президента Республики Узбекистан № УП-158 от 11 сентября 2023 года «Стратегия «Узбекистан – 2030», в целях удвоения размеров экономики к 2030 году и» для увеличения ее доходов от средних с точки зрения вступления в ряды «высоких стран» важно повысить производительность 688 345 (по состоянию на 1 января 2024 г.) (без фермерских и сельскохозяйственных) предприятий и организаций, действующих в стране и их финансовая стабильность.*

**Ключевые слова:** *финансовый анализ, инвестиции, финансовые облигации, экономические модели, индикаторы, анализ, финансовая отчетность, финансовые отчеты, элементы финансовой отчетности.*