FINANCIAL CONDITION ANALYSIS OF THE ORGANIZATIONS

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Аннотация. *Maqolada moliyaviy tahlilining maqsad va vazifalari, moliyaviy tahlil turlari va kompleks tahlil qilish yonalishlari keltirib o'tilgan. Ushbu usullar kompaniyaning moliyaviy holatini tezda baholash, boshqaruv qarorlari uchun ma'lumotlarni tayyorlash va moliyaviy boshqaruv strategiyasini ishlab chiqishga qaratilgan.*

Abstract. *The article presents the goals and objectives of financial analysis, types of financial analysis, and areas of comprehensive analysis. These methods are aimed at quickly assessing the financial condition of a company, preparing data for making management decisions, and developing a financial management strategy.*

Калит сўзлар. *Moliyaviy tahlil, moliyaviy hisobotlar, to'lov qobiliyati, likvidlik, moliyaviy barqarorlik, moliyaviy holat, ish faolligi, foyda, rentabellik.*

Key words. *Financial analysis, cial statements, solvency, liquidity, financial stability, financial condition, business activity, profit, and profitability.*

Introduction.

Today's economic conditions are such that the activities of a business entity are viewed as of particular interest to a significant number of market participants who have a stake in the functioning of the market. To ensure business survival in today's environment, managers must be able to assess the financial position of not only their own business but also that of existing potential competitors. Financial position is an important assessment of a company's economic performance.

Financial position reflects a company's competitiveness, its ability to conduct business, and assesses the extent to which its economic interests are supported financially and operationally. Being able to truly assess a company's financial position is as important today as it is for successful business management, and achieving its stated goals is crucial. Favorable financial conditions are a crucial prerequisite for a company's continuous and effective operation. Success requires stable solvency, high liquidity, economic independence, profitability, and significant business efficiency.

Nowadays, when the economy is developing, the issue of a company' financial position is considered very important. A company's economic success depends largely on the success of its operations. For this reason, much attention is paid to examining the company's financial position.

The relevance of this issue has led to the development of methods for analyzing the financial position of companies. These methods focus on quickly assessing a company's financial position, preparing data for management decisions, and developing a financial management strategy.

Literature review.

Many researchers argue that the importance of information resource for financial condition analysis is important. In Particular, B.A.Khasanov, N. Sh. Khajimuratov, U.A.Nurmanov, A.N.Makhmudovs financial statement information making decisions on investment and lending [1]. The fact that M.Y.Rakhimov's summarize about financial statements at one time or another information on different periods is also a necessary requirement to ensure about companies analysis[2].

In addition, the next source of information in the analysis of the financial condition is the form of a report on financial results, which provides information on the net of financial results, reflecting the effectiveness of management in all areas of activity. Since profit is not only a force that drives business', but also a necessary condition for ensuring its competitiveness in the future, for the growth of its financial stability. B.A.Khasanov, M.Y.Rakhimov, Z.A.Muqumov, A.I.Alikulov, A.B.Jumanova, N. Sh. Khajimuratov argues that profit processing is an important in increasing the viability of an enterprise [3].

The purpose of the analysis is to assess the financial condition of a business entity and identify its potential opportunities to solve social development problems [4].

This methodology is necessary for the informed selection of a business partner, determining the degree of sustainability of an enterprise, assessing business activity and the effectiveness of entrepreneurial activity [5].

Methodology. In conducting the study, methods of comparison, analysis and synthesis, data grouping method, induction and deduction were used.

Analysis and results.

The main goal of business entities is to make economic choices; in Figure 1 individual enterprises make four fundamental economic choices in market conditions.

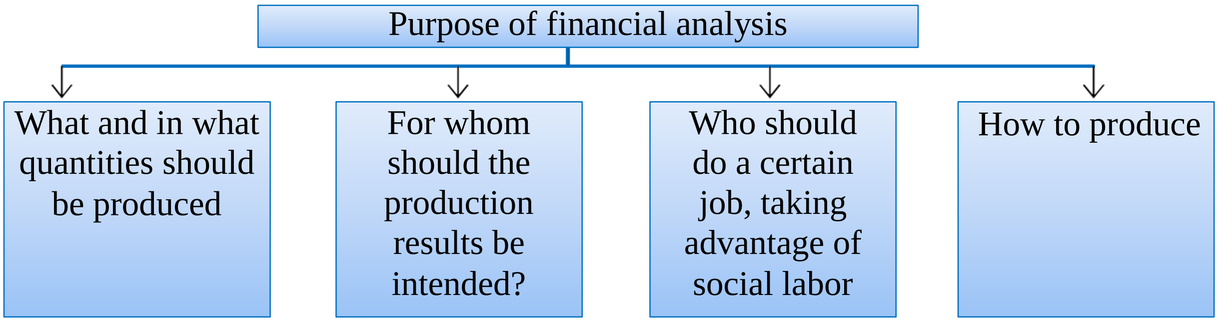

Fig. 1. The purpose of financial analysis

Management decisions depend largely on these choices. These choices concern the composition, structure, and value of assets, the company’s capital, the amount of equity, revenue and profit, as well as long-term and short-term borrowings and their raising methods.

Graphically presented and considered the tasks of financial analysis, in Figure 2.

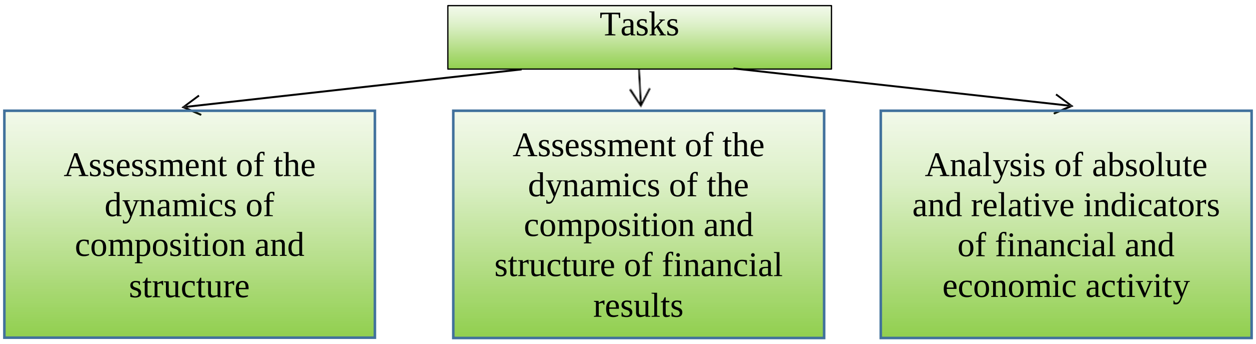

Fig. 2. Tasks of financial analysis

When assessing the effectiveness of the financial and economic activities of an organization, they use, firstly, an analysis of the results of the enterprise's profit, as well as an analysis of profitability ratios, and secondly, they conduct an analysis of break-even and business activity.

For the successful completion of the financial analysis process, it is important to choose the method by which it is carried out.

The method of financial analysis is a scientifically based system of theoretical and cognitive categories, principles, methods and special research techniques that allow for making informed management decisions and are based on the dialectical method of cognition.

The method of financial and economic analysis has certain specific features.

The methodology of financial analysis includes three interrelated blocks:

- analysis of the financial results of the enterprise;
- analysis of the financial condition of the enterprise;
- analysis of the efficiency of the financial and economic activities of the enterprise.

When deciding on the methods and sources of financing, an integrated approach or generalization of the concept is used, which includes three main blocks: analysis of the need for financing; analysis of the financial condition of the enterprise and its ability to attract various sources of financing; risk analysis (Figure 3).

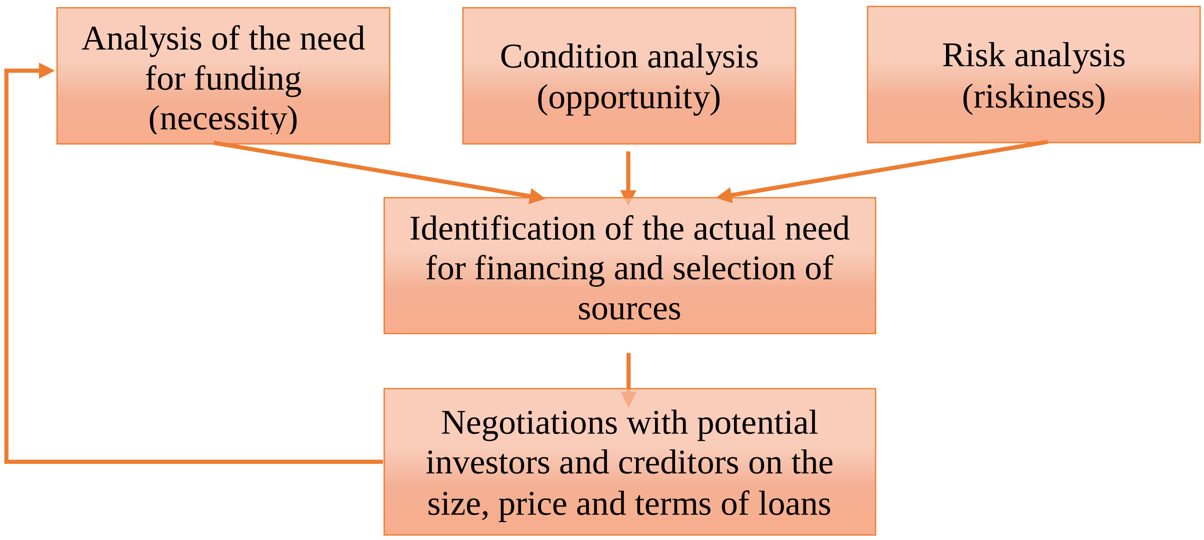

Fig. 3. Complex analysis for financing organizations

There are various ways of conducting financial analysis, among which the most important are considered in article.

Horizontal, or dynamic, analysis involves the relationship and comparison of financial statement values with those of previous periods. It determines absolute and relative deviations in the values of individual financial results for the reporting period, as well as over time, and allows for the qualitative characterization of these changes.

Vertical analysis is implemented to determine the specific weight of individual income and expense items in the overall final indicator and to subsequently compare the result with the data of the previous period.

It also provides for an assessment of the changes that occur in the structure. The method of financial ratios is based on the calculation of relationships between accounting data and the determination of interrelations between indicators.

To analyze the financial condition of an organization, the method of financial ratios is most often used, according to which groups of key indicators are preliminarily established, namely, indicators of liquidity, stability, debt, turnover, profitability, and then their values are compared with the standard ones, as well as with the values for previous periods.

Trend analysis is based on calculating the relative deviations of financial statements for a number of periods from the base period. It aims to identify trends based on information from multiple periods.

Factor analysis is the process of studying various factors affecting an outcome indicator using deterministic research techniques.

Each of these methods has its own advantages and disadvantages, so for a complete analysis, not one, but several methods of reading financial statements are usually used.

The effectiveness of financial analysis will primarily depend on the level of knowledge and professionalism of the financial analyst.

Standard values of indicators serve as a basis for comparison and can be established at the state level, in particular for assessing the possibility of declaring enterprises bankrupt.

Standard values for corporate financial performance indicators vary across countries. They depend on the economic conditions in which companies operate, as well as on business practices.

Comparing the current performance of an enterprise with the industry average or with the performance of leading enterprises in the region makes it possible to compare one’s own financial condition with the financial condition of competitors.

Such a comparison is important when there is high competition in the area in which the company operates.

Comparing the reporting period's indicators with those of previous periods allows the finance department to identify negative or positive trends in certain aspects of the company's operations, as well as the causes of these trends. This comparison allows for time-sensitive assessment of the company's financial position over time.

Another aspect of analyzing the financial condition of an enterprise is the ability to evaluate it from the point of view of short-term and long-term prospects.

From a long-term perspective, the financial position can be characterized using the structure of sources of funds, in other words, the degree of dependence of the enterprise on external investors and creditors.

In addition, in the process of analyzing the financial condition of the enterprise, it is necessary to take into account the factors that affect the financial condition of the enterprise. Factors relate not only quantitative, but and qualitative, in particular, changes in the political and general economic situation, restructuring of the organizational structure of management of a region or enterprise, changes in forms of ownership, personnel qualifications. Goals distinguish next types financial analysis, graphically presented in Figure 4.

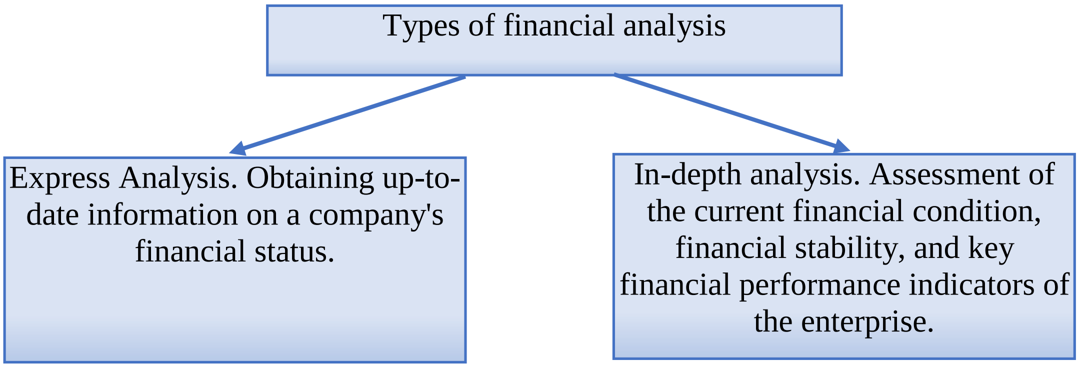

Fig.4. Using types of analysis for financial condition analysis

Express analysis involves several stages. The transition from one stage to the next occurs as interest grows. In-depth analysis makes it possible to assess the actual financial condition of an economic entity on a certain date, changes in the financial position, and the financial results of the economic entity for the reporting period.

Conclusion.

Analysis of the financial condition of an enterprise is an important element in the enterprise management system, with the help of which the essence of business processes is determined, the financial situation is assessed, production reserves are identified and measures are developed

Based on their use, scientifically based plans and management decisions are made.

As a method of cognition, the analysis of the financial condition of an enterprise is carried out in a certain sequence: establishing the goal and objectives of the analysis, drawing up a plan of analytical work, a specific analysis program, which specifies: the timing of the analysis, the materials on which the analysis is carried out, the procedure for conducting the analysis and summarizing its results, performers (planning department, accounting department, etc.), calendar deadlines for completing the work.

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