

ESSENCE OF FINANCIAL RESOURCES OF THE ENTERPRISE

<https://doi.org/10.5281/zenodo.11403877>

Tadjibekova Dilnoza Bakhtiyarovna
Senior teacher, Department of Finance, TSUE

In modern economic conditions, the financial resources of enterprises play an important role, since they create the conditions for a continuous production process, its stable growth, and also determine the competitiveness of an enterprise in the market. In the conditions of the formation and development of market relations, there is a lack of financial resources for many business entities. The lack of financial resources negatively affects the economic activity of enterprises, leads to the emergence and growth of debts to business entities, for wages and taxes. Therefore, the issue of forming a sufficient amount of financial resources of the enterprise for the implementation of economic activities becomes relevant. The totality of financial resources formed at the enterprise level determines the possibilities: increasing working capital, making the necessary capital investments, fulfilling financial obligations, meeting social needs, etc.

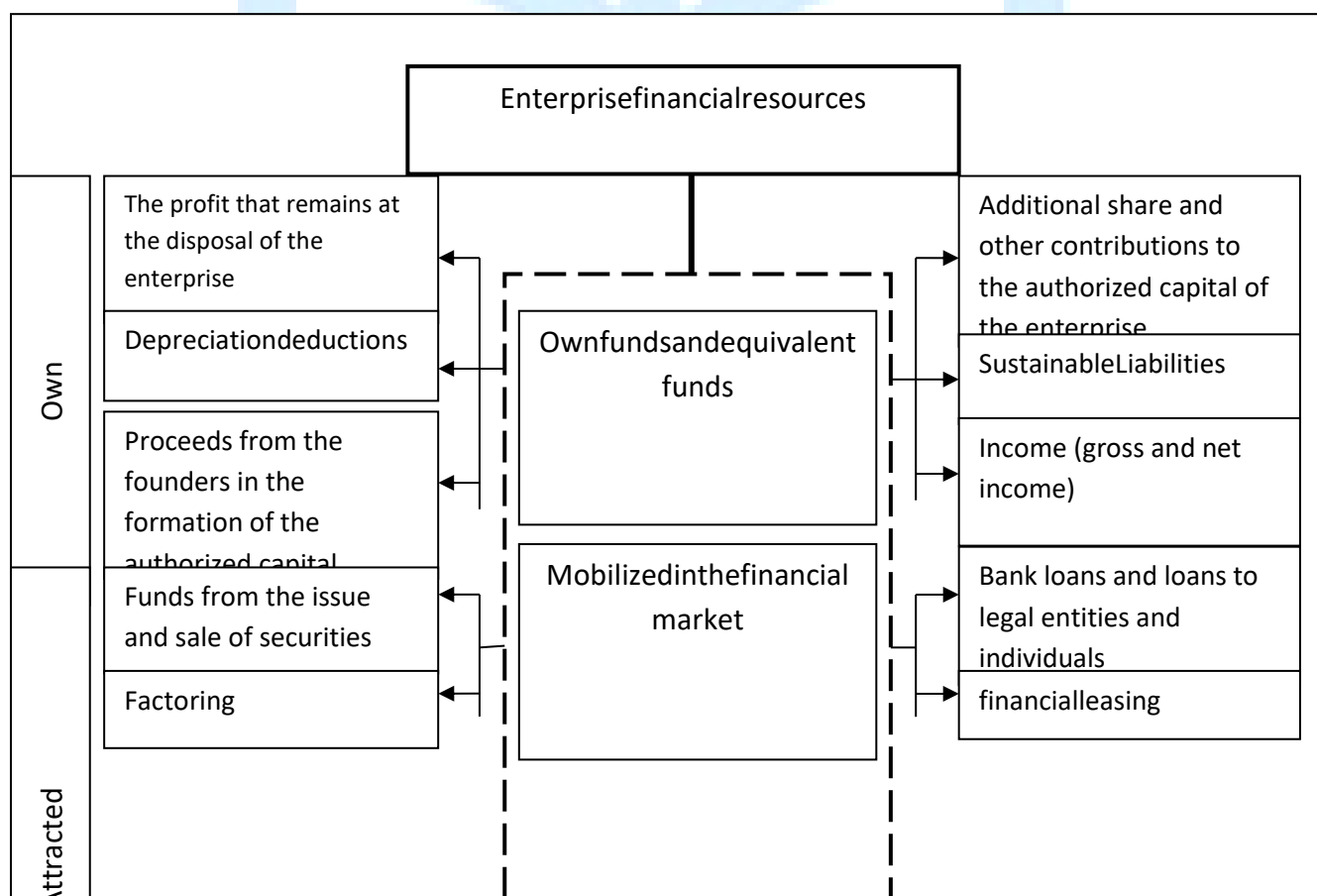
So, drawing conclusions from the above definitions, we can say that financial resources are funds that are accumulated by an enterprise to ensure the process of expanded reproduction by transforming them into other types of resources, as well as to achieve high financial results. They represent a set of funds that are at the disposal of the enterprise and are the source of their production and social development. The financial resources of the enterprise are created as a result of the production and economic activities of economic entities by receiving money for the sold goods produced by them, as well as raising funds in the financial market.

The formation of the financial resources of an enterprise is the process of receiving funds at the disposal of the enterprise, which is carried out from a number of sources, from which two main groups can be distinguished: own - these are the resources that belong to the enterprise and are created as a result of its financial and

economic activities, and attracted .- these are resources that are at the temporary disposal of the enterprise and can be used to achieve the statutory goals (Fig. 1).

The volume of production and its efficiency determine the size, composition and structure of the financial resources of the enterprise. In the process of forming the financial resources of enterprises, an important role is played by their balance and the determination of the optimal structure of their sources. However, as practice shows, their structure is constantly changing under the influence of various factors, namely, an increase in the share of funds attracted from external sources, and, first of all, part of accounts payable, which leads to a decrease in the investment opportunities of business entities.

The volume of production and its efficiency determine the size, composition and structure of the financial resources of the enterprise. In the process of forming the financial resources of enterprises, an important role is played by their balance and the determination of the optimal structure of their sources. However, as practice shows, their structure is constantly changing under the influence of various factors, namely, an increase in the share of funds attracted from external sources, and, first of all, part of accounts payable, which leads to a decrease in the investment opportunities of business entities.



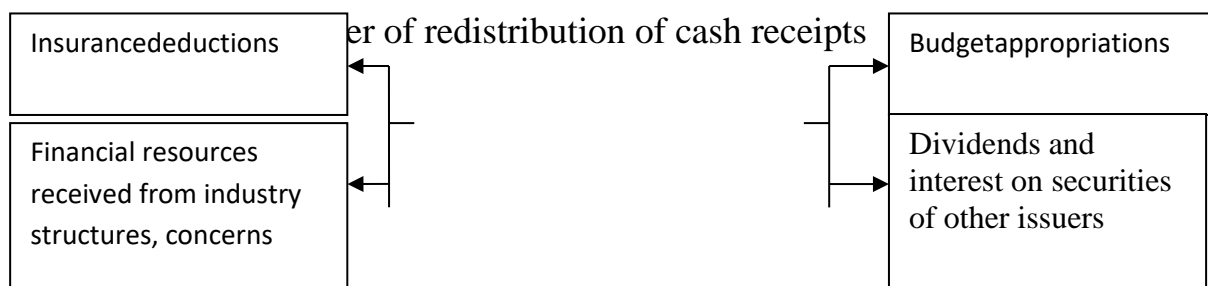


Figure 1 - Sources of formation of financial resources of the enterprise

The sources of formation of financial resources depend on the form of ownership on the basis of which the enterprise is created. Thus, when creating state enterprises, financial resources are formed at the expense of the budget, funds of other similar enterprises during their reorganization, etc. When creating private enterprises or other non-state enterprises, they are formed at the expense of partial contributions from the founders, voluntary contributions from legal entities and individuals, etc. All these contributions (funds) represent the authorized (initial) capital and are accumulated in the authorized capital of the established enterprise .

In modern conditions of activity of industrial enterprises, it is impossible to give preference to any one source of formation of financial resources due to negative consequences. Thus, when using only own funds, there is a threat of limiting the growth of the financial potential of enterprises, and the use of borrowed and borrowed funds in significant amounts, on the other hand, really makes it possible to survive and progressive development in conditions of instability, but also significantly increases the level of risk in financial activities. enterprises. Problems in the formation of financial resources are present in almost every enterprise. They are related to the peculiarities of the organization of production, economic and financial activities of enterprises, the state regulatory policy regarding the formation of financial resources of enterprises, the influence of which is growing under the condition of a state monopoly on production. However, in modern conditions, enterprises are not sufficiently provided with financial resources due to the lack and

lack of sources for their formation. A significant number of enterprises are unprofitable, which significantly limits their own sources of financial resources. Attracting bank loans is accompanied by an increase in fees for their use, which leads to an increase in operating costs and unprofitability of enterprises. Therefore, each business entity needs to approach the issue of formation of financial resources more rationally, reduce the number of loans and liabilities. And the state, especially in modern conditions, needs to ensure the stability of the economy and improve the regulatory framework, which will allow enterprises to be protected and operate even in crisis situations.

The formation of financial resources should ensure such a combination of own and borrowed sources of financing, which will contribute to the growth of return on capital, solvency, financial stability, reduce financial risks and the weighted average cost of financial resources, etc. Only under such conditions is it possible to implement the strategy of economic growth at the micro- and macroeconomic levels.

References:

1. Bharadwaj, A., El Sawy, O. A., Pavlou, P. A., & Venkatraman, N. (2013). Digital business strategy: toward a next generation of insights. *MIS Quarterly*, 37(2), 471-482.
2. Brigham, E. F., & Ehrhardt, M. C. (2017). *Financial management: Theory & practice*. Boston, MA: Cengage Learning.
3. Damodaran, A. (2012). *Investment valuation: Tools and techniques for determining the value of any asset*. Hoboken, NJ: John Wiley & Sons.
4. Gopalakrishnan, M. (2018). Financial resource management practices and firm performance: Evidence from Indian IT industry. *Journal of Management and Governance*, 22(2), 381-397. doi:10.1007/s10997-017-9377-1
5. Mandal, S. K., & Sengupta, N. (2019). Financial resource formation and its impact on financial performance of selected Indian manufacturing firms. *International Journal of Business and Management Studies*, 8(1), 17-34. doi:10.17261/Pressacademia.2019.1004
6. Palepu, K. G., Healy, P. M., & Peek, E. (2016). *Business analysis and valuation: Using financial statements*. Boston, MA: Cengage Learning.
7. Pandey, I. M. (2018). *Financial management (12th ed.)*. New Delhi, India: Vikas Publishing House.
8. Ross, S. A., Westerfield, R., & Jordan, B. D. (2018). *Fundamentals of corporate finance (12th ed.)*. New York, NY: McGraw-Hill Education.
9. Zou, H., Shi, Y., & Xiong, J. (2020). Financing structure and capital allocation efficiency of Chinese high-tech firms. *Frontiers of Business Research in China*.