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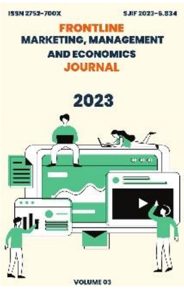

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Research Article

SCIENTIFIC AND THEORETICAL FOUNDATIONS FOR STRENGTHENING THE FINANCIAL SECURITY OF JOINT STOCK COMPANIES

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Muhammad Sharofitdinovich Abdubokiev
Doctoral Student Of Tsue, Uzbekistan

ABSTRACT

The article describes the economic importance of attracting financial resources to joint-stock companies, the possibility of developing a non-banking model through the wider use of modern tools for attracting capital at the present stage of privatization processes. Research was also carried out on ways to optimize the sources of financial support for joint-stock companies. Proposals have been developed on ways to strengthen financial support by improving the mechanism for attracting capital.

KEYWORDS

Corporate finance, financial strategy, capital, bonds, financial security, share, privatization, investment strategy, corporate governance, financial mechanism.

INTRODUCTION

At the current stage of economic development, attracting financial resources from the international and local capital market by joint-stock companies is gaining urgent importance. In addition, free competition based on the scale and privatization of large joint-stock companies that do not have high profitability to foreign investors under favorable conditions directly requires the adoption of important management decisions in attracting additional capital. According to the decree of the President of the Republic of Uzbekistan dated October 27, 2020 "On measures to speed up the reform of state-owned enterprises and privatization of state assets" No. PF-6096, the rapid introduction of modern consumer-oriented management methods, openness, transparency and market principles in state-owned enterprises, In order to increase incomes by reducing costs, create more opportunities for private capital participation in the process of reforms, reduce state participation in the economy and further improve the competitive environment, a number of priority tasks are being defined and put into practice.

It should be mentioned that a number of positive trends have been observed as a result of the reforms implemented in the development of modern financial management mechanisms in joint-stock companies in recent years. However, if we compare with the international practice, it can be observed that the existing financial instruments in the financial market are not sufficiently applied to the national practice or do not exist at all. Large joint-stock companies still rely mainly on the banking model for financing. Based on the above, it should be noted that the introduction of modern instruments of capital attraction by joint-stock companies into national practice, in particular, the creation and improvement of economic and legal foundations, finding a positive solution to the issue of personnel in the field, and increasing the enthusiasm of large financial institutions to use these instruments, shows the relevance of research in this direction.

REVIEW OF LITERATURE

The issue of financial support of joint-stock companies, the use of modern financial instruments in this process and the determination of their effectiveness, the prospects of introducing modern debt instruments in the company's activities have been researched by our country and leading foreign economists.

Most economists have a consensus that changes in the dynamics of economic development of banks and the capital market have a high impact on macroeconomic stability, while some economists believe that the impact of both major sectors on macroeconomic stability is not significant. This consensus was mainly formed by the fact that banks and the capital market are the main financial providers of large companies. Therefore, it is of urgent importance to strengthen the financial support of the companies operating in the economic sectors and ensure their moderation in ensuring the macroeconomic stability of the country [2].

P.I.Grebennikov, L.S.Tarasevich divides the sources of financing "according to the approach of the owners of the corporate structure into its own and external sources, according to the approach of the managers, into internal and external sources" [3]. O.V.Borisova and others divide all sources of business financing into the following four groups [4]: own funds of corporations; loan funds; funds raised; and state budget funds. Here, we can cite the participation of state budget funds in the financing of corporate structures as a feature different from others. It is also necessary to note that we allocate the state budget funds because of certain conditions in corporate financial support. In the process of entering the state's share into the corporate structure, we can direct the state as a creditor or under certain other conditions. I.Ya.Lukasevich's sources of financing according to ownership relations to his own and debt sources of financing; financial resources of the state, legal entity and individual (including non-resident) depending on the type of owner; internal and external (involved) sources according to the object; according to the description of time, it is classified as short-term (up to one year), long-term and indefinite resources. In this, we can see that each financing source is equated to equity or debt according to its specific description. Also, "as organizational forms of financing, self-financing (retained earnings, depreciation, sale of assets, etc.), equity or share financing (participation in authorized capital, purchase of shares, etc.), debt financing (attracting bank loans, placing bonds, leasing, etc.), financing from the budget (credits from the budget with the condition of repayment, allocations from the budget on the basis of gratuity, targeted state investment programs, investment tax credit, grants, etc.), special forms of financing (venture, project, etc.), attracting foreign capital, etc. " [5].

In fact, unlike other authors, I. Ya. Lukasevich distinguishes financing from the budget, attracting foreign capital and venture financing. It should be noted that budget financing is not always used in developed countries in the market economy, on the other hand, this practice is relatively common in transition economy countries. It should also be noted that it is not necessary to specify the practice of attracting foreign capital. Because it is known that foreign capital is included in corporate structures on the basis of debt or equity relations. The textbook "Financial Management" was published by a team of authors headed by A.N. Gavrilova, paying special attention to the external sources of financing of corporate structures, "The most important and promising sources of external financing of the organization's activities are stock and bond issuance, bank loans, financial leasing, factoring, such as forfeiting" [6]. Relying only on own funds and bank loans in the organization of financial support in corporate structures causes problems related to the financing of new projects for expansion of activities. This requires serious attention to the use of various instruments of the stock market and attracting capital from the international financial market. As a result, local corporate structures can attract relatively cheap capital by entering the international financial market [7].

ANALYSIS AND RESULTS

The duration and continuity of activity in joint-stock companies are directly related to the state of financial security. Financial support is primarily explained by the involvement of financial resources required for starting and running the activity. In this case, it is required to determine the entities with which financial relations are entered into by the corporate structure. Every financial relationship involves an inflow or outflow of funds due to liability. Joint-stock companies enter into financial relations with other entities based on specific goals. It should be noted that financial relations are established with shareholders, the state, high-level organizations, commercial banks, insurance companies, leasing companies, stock exchanges, and investment institutions in order to improve financial provision by attracting financial resources. In this case, "financial resources are the sum of the income of borrowed funds and equity and debt funds predetermined for financing current and capital-raising expenses, fulfilling financial obligations." In joint-stock companies, the processes related to financial resources and their use are important. Based on the research carried out by scientists, the structural structure of financial resources can be expressed as follows (Fig. 1).

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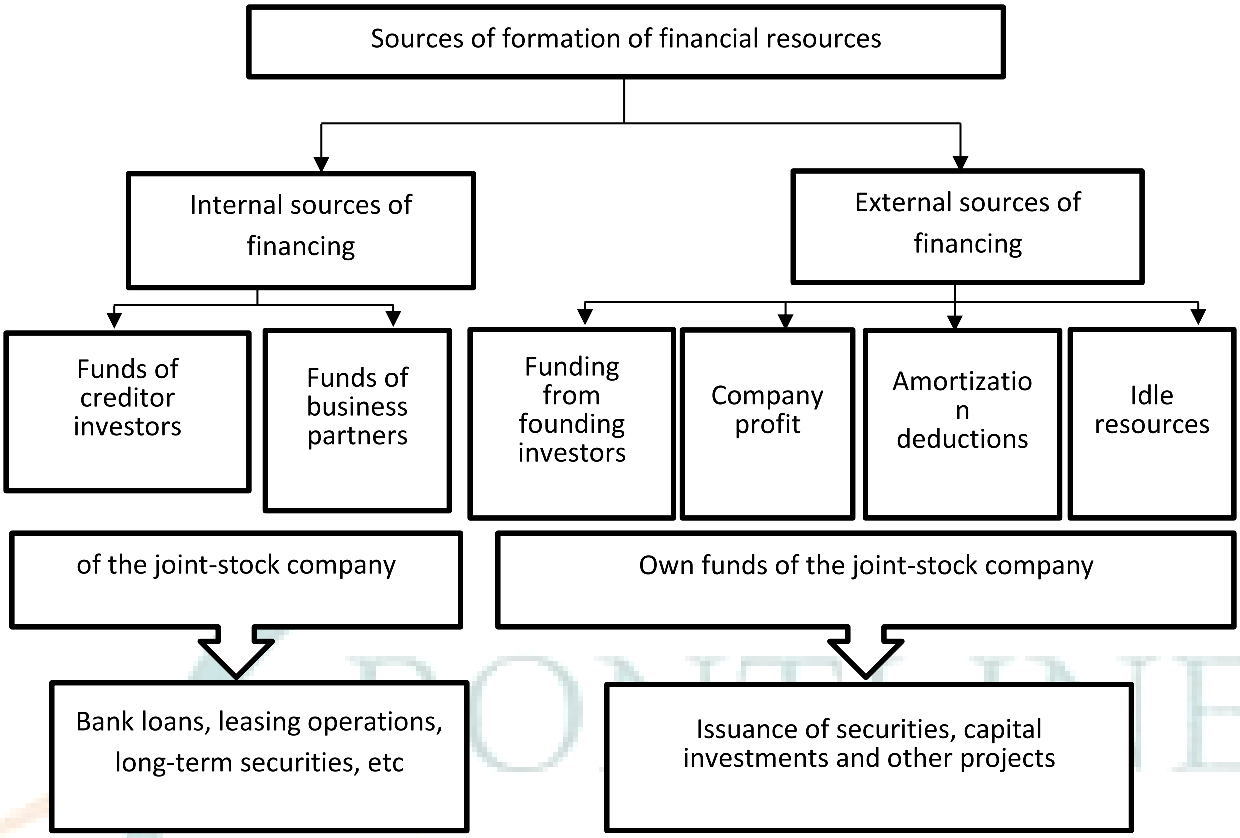

Figure 1. Structural structure of financial resources of joint-stock companies.

Figure 1 shows the structural structure of financial resources of joint-stock companies, which are divided into two types according to the source of financing, the first of which is financed by internal sources, and external sources from the rest. It is known from the research that the formation of the capital of joint-stock companies through internal sources of financing is carried out in two different ways, while financing as they carried external sources out in four different ways. In particular, the internal sources of capital financing of joint-stock companies are formed through the funds of creditor investors and funds of business partners, while the external sources of capital financing are formed because of the funds of owning investors, company profits, depreciation allowances and idle resources. Also, many studies have been carried out at the international level on the practice of debt and equity formation of joint-stock companies, and based on their effective use, sustainable growth of capital efficiency of joint-stock companies is achieved.

In addition to methods of increasing the authorized capital and sources of their formation, the methods of placing shares are also important in the effective management of financial support of joint-stock companies and their effective organization. An increase in the authorized capital is formed due to an increase in the number of shares in circulation and an increase in the nominal value of the placed shares. There are two types of sources for increasing the authorized capital, i.e. external and internal sources. An external source is the additional investment of the company's shareholders and other persons, while the internal source can be the undistributed profit of the joint-stock company, added capital, special funds, etc. Instead, if the shares are placed in a joint-stock company as a result of the issuance of additional shares in exchange for external sources, new shares with a higher nominal value due to internal sources will be issued.

Optimizing the capital of joint-stock companies and their composition is important for society both economically and financially, as a result of which the possibility of effective use of equity capital and debt capital increases, and the level of stability is also high. In particular, economists T.V. Teplova and I.A. According to Blank, the optimal capital structure not only shows the optimal time consumption for joint-stock companies, but also has the feature of speeding up the management decision-making process [8]. Today's practice shows that the processes implemented together with equity capital and debt capital are not only reflected as the main part of the company's success but also play an important role in accelerating investment processes and increasing investment attractiveness. Analyzing the above capital-related processes, we present several factors for optimizing its composition in the following table (Fig. 2).

The process related to optimizing the capital structure is complex, and its implementation is divided into two parts. The first of them is to select the optimal capital structure through the analysis of the company's capital, and the second is to evaluate the factors influencing the decisions aimed at optimizing the capital structure, which serves as an important lever in the management of capital efficiency.

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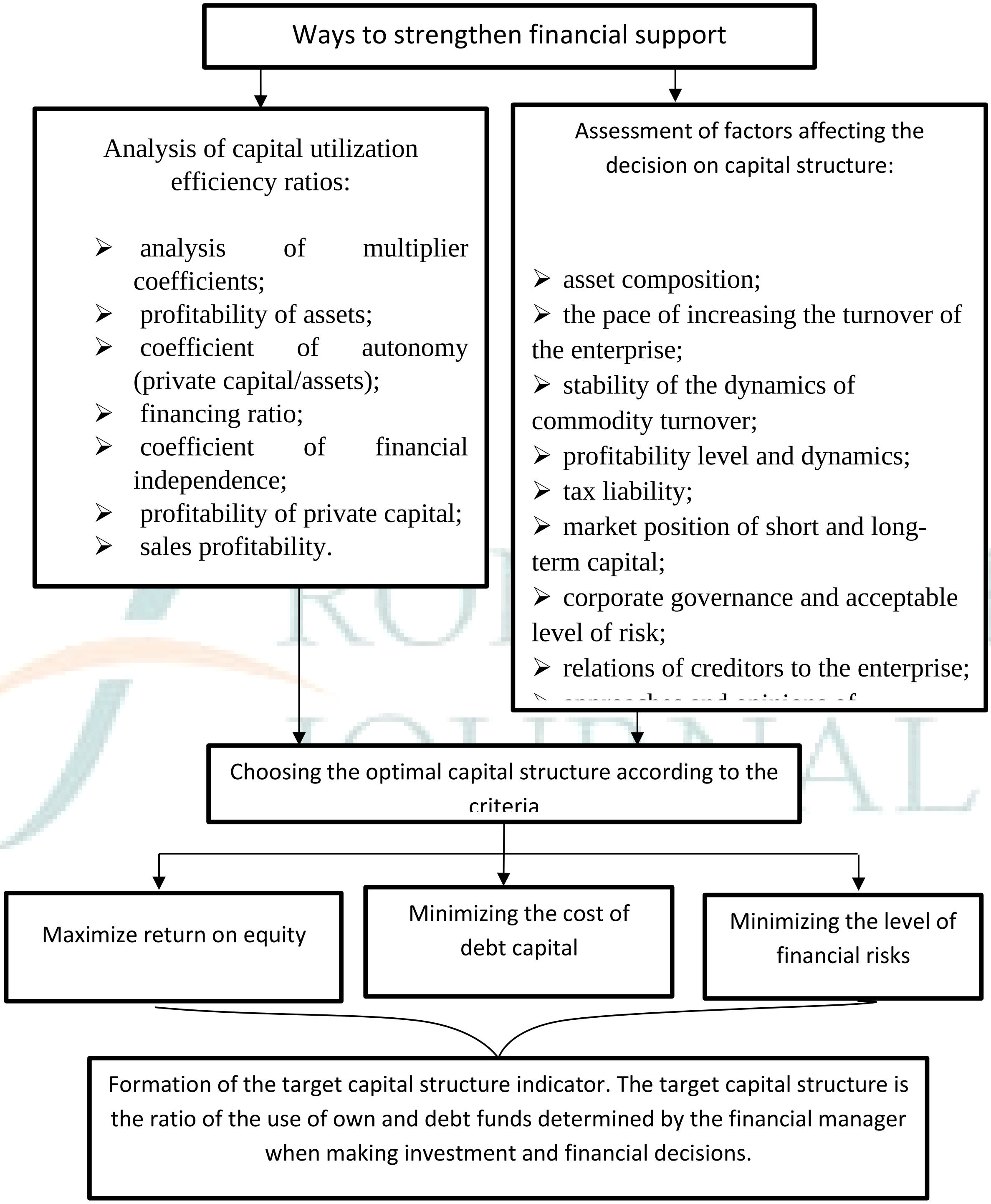

Figure 2. Ways to effectively manage financial resources

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Analyzing the capital of companies using a comprehensive approach not only allows for analysis of the structure and circulation of the company's capital but also creates an opportunity for its systematic analysis. At the same time, an analysis of the company's capital movement indicators is considered, along with an assessment of the company's equity capital and debt capital composition.

Secondly, as a result of a comprehensive approach, the efficiency of the use of the company's capital is analyzed, through which the company's private and debt capital turnover is monitored, and the profitability of its private and debt capital is analyzed.

Thirdly, the impact of the company's capital composition and structure on financial stability is studied and evaluated.

Fourthly, the procedure for forming the additional amount of capital needed by the company is determined.

The fifth is to determine the growth reserves and opportunities of capital utilization efficiency indicators. In particular, through the above approach, along with the effective organization of the company's capital management process, the company also ensures its financial stability by using its financial resources wisely.

CONCLUSION

It should be noted that the practice of self-financing of joint-stock companies largely depends on the depreciation and dividend policies implemented during their activities. Despite the fact that self-financing has a number of advantages, they are not sufficient for expanding the financial activities of a joint-stock company, implementing investment projects in the future, and implementing new financial technologies. Therefore, focusing on the practice of attracting financial resources from other external sources based on the state of the financial market is one of the important issues before every corporate structure.

Increasing the efficiency of capital management of joint-stock companies provides an opportunity to increase capital efficiency in joint-stock companies as a result of using modern methods of proportional assessment of private and debt capital thereby increasing capital efficiency. Also, it serves to study and evaluate the level of influence of factors affecting the private and debt capital of joint-stock companies, as well as to determine the rational composition of the capital structure.

A number of studies have been conducted by foreign and domestic economists to improve the efficiency of capital management of joint-stock companies. It has also researched that in increasing the efficiency of capital management of joint-stock companies, it is necessary to take into account the factors affecting it, along with increasing the efficiency of private and debt capital, taking into account financial risks.

One of the main problems today is that various models and algorithms are not used to strengthen financial support in joint-stock companies. It should be noted that although several indicators are used to evaluate the effectiveness of corporate management in joint-stock companies, the fact that this methodology is not used in joint-stock companies can be considered as the main drawback in attracting foreign investors. Because international investors, in addition to the current state of efficiency indicators on the use of capital, the level of profitability that it can bring in the future is considered important, and therefore, as a result of the increase in investment attractiveness, it serves to increase the efficiency of capital.

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