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IMPROVEMENT OF FINANCIAL MANAGEMENT IN AGROBUSINESS

Annotation: The article discusses the current features and problems of the management system in agribusiness enterprises in terms of corporate finance. Accelerating the process of transition to a competitive market economy and the priority of accelerated development of the private sector in the economy requires the creation of a conceptual framework for improving the system of small business finance management.

Keywords: agribusiness, private sector, corporate finance, small business finance, financial management, financial management.

In Uzbekistan, great attention is paid to the development of fair competition through a favorable investment climate, stimulating the rapid development of small business and private entrepreneurship.

“According to the world experience, the development of small business, in particular, small innovative business, not only ensures socio-economic efficiency, but is also reflected in the political programs implemented in the countries.

The development of small business is an important factor in increasing the share of the middle class in society, as well as ensuring economic, social and political stability in Uzbekistan»¹.

A number of normative and legal documents on the organization and improvement of modern methods of financial management in agribusiness

¹ I.I.Ergashev. The impact of small business and private entrepreneurship on economic growth. Scientific electronic journal "Economy and Innovative Technologies". №5, September-October, 2021.

enterprises have been adopted, creating a solid legal framework covering the organization and development of enterprises, their infrastructure and other aspects.

However, it is difficult to positively assess the process of establishing a financial management system in joint-stock companies that serve to ensure sustainable economic development.

“Improving the financial management system can ensure the implementation of important tasks such as making optimal decisions on financial management of enterprises, widespread use of modern tools to strengthen financial security, investment decision-making, accurate assessment of financial risks at international standards, introduction of anti-crisis financial management strategies»².

Different aspects of the enterprise's activities have a corresponding impact on its financial results. Accordingly, an enterprise may benefit from one type of activity or lose from another. However, it should be noted that the ultimate goal of financial management in the enterprise is to ensure the growth of the market value of the enterprise capital.

Therefore, improving the financial management system of small businesses requires the solution of two interrelated problems:

- increase the operational and financial independence and responsibility of various areas and departments of the enterprise;
- achieving an improvement in the overall financial results of the enterprise as a result of the impact of any changing conditions and factors.

We consider both of these issues in terms of the strategic objectives of enterprise finance. Every enterprise has its own internal structure, and between them there is a management, information and technological integrity. From the point of view of financial management requirements, it is important to ensure

² Hamdamov O.N. Improving the system of financial management in enterprises // Dissertation for the degree of Doctor of Philosophy (PhD) in Economics. T. : 2018.-58 p.

that the financial structure of the enterprise operates as a center for planning and accounting of profits, expenses and financial activities.

The formation of financial responsibility centers imposes the need to be organized in all departments of the enterprise in the departments engaged in planning and accounting of costs, income and profit accounting and sales of products (works, services) to consumers.

Budgeting of income and expenses of the enterprise is one of the most important parts of the financial plan of the enterprise in market conditions, in contrast to the accounting of profits and losses in accounting and the budget of cash flows. The best practices of developed countries confirm that this section of the financial plan imposes more responsibilities on the financial manager of the enterprise and is a more effective tool of financial management.

Budgeting of income and expenses of the enterprise differs from the usual system of profit planning and accounting in the following ways:

1. According to the data users: if the accounting is intended for external consumers (tax inspections, pension and other funds, creditors, auditors, etc.) and for the founders of the enterprise, the budgeting of income and expenses - for managers of the enterprise and the commercial is a secret.

2. According to the composition of indicators: accounting report is prepared according to a single standard. The company's profit is calculated on the basis of wholesale prices. Budgeting of revenues and expenses is based on the calculation of profit on the basis of the accounting policy of the enterprise on the option that is considered reasonable for the type of business. In this process, cases that are common in the financial life of enterprises, but not fully reflected in the regulations, such as sales at prices below cost, barter, mutual settlements, acceptance for sale of goods, toning system, etc. are also taken into account.

3. According to the structure of accounting: if the usual planning and accounting is carried out throughout the enterprise, and the budgeting of income and expenses - the centers of financial responsibility - business units, investment

projects, market segments, etc. is carried out on. In this case, the coordination of income and expenditure budgeting on the general activities of the enterprise, ie the nomenclature of expenses of the general enterprise and the centers of financial responsibility is determined by the financial policy and composition of the enterprise.

It is known that the new system of financial reporting of enterprises requires separate accounting of various operations in their activities (production, trade and intermediation, securities transactions, etc.). In this regard, in our opinion, everyone

it would be expedient to establish financial responsibility centers for units engaged in this type of operation. Accordingly, each financial responsibility center comes up with its own finished product, service, that is, represents a specific type of business. This allows you to calculate the financial result for each component and area of activity of the enterprise.

Thus, the budgeting of income and expenses of the enterprise plays an important role in the modern system of financial planning and differs from the accounting of current profits and losses. One of the important tools for improving the basics of financial management in small businesses, ensuring the coherence of each department and industry, is the management of enterprise finances using financial estimates.

A financial estimate is a complete plan that describes an entity's financial capabilities, comparing its resource capabilities and the operations to be performed in a given period.

The financial estimate is complete in the sense that it covers all areas of small business activity. Therefore, the financial estimate is a plan of the whole enterprise, not individual divisions or individual sectors. However, it should be noted that in practice, there are such concepts as departmental financial estimates, financial estimates for advertising. In this case, of course, the financial estimate of the department and the financial estimate for advertising

should be considered as part of the overall financial estimate of the enterprise. An overall plan is often referred to as an enterprise's basic financial estimate because the plan consists of complementary parts.

The main function of the financial estimate is to quantify the revenues to be received and future expenses. Information about the future income of the enterprise and the expenses to be incurred should be fully disclosed. The income of the enterprise should be associated with certain types of products or services, and the costs of the enterprise should be commensurate with the goods and services that provide this income. It is also important for a small business to plan in advance the resource capacity that will ensure the implementation of operational plans.

The planning of financial resources mainly involves the planning of various assets (cash, inventories, enterprise property, etc.) that support the activities of a small enterprise, and the planning of financial resources that provide these assets. It should be noted that the financial estimate of a small enterprise is a management tool that ensures long-term perfect profit, which is the main goal of the company's management. Like other instruments, financial estimates require appropriate expenditures, and fully and soundly structured financial estimates should be based on the approximate reality of the amount of additional benefits or savings that can be saved.

In order for a financial estimate to have appropriate logic, it must be clearly defined by a specific time period called the budget period. A complete financial estimate covering all areas of an enterprise's operations is prepared for a relatively short period of time, usually one year. This financial estimate, determined for all parts, should include all expected income and expenses, payments to be received in each period, and other financial transactions.

At present, there is no special department in the activities of small enterprises, which deals with the preparation of financial estimates, control and enforcement of their implementation. Of course, in small businesses where

staffing is limited, it is advisable for the financial manager or chief accountant to perform these tasks. There are certain standards that have been confirmed by international experience in this field, and in the process, understanding them correctly and relying on them is the key to success for any enterprise.

These include: First, the financial estimate must be prepared and used in such a way that the small enterprise as a whole achieves its main goals. Of course, the financial estimate of the enterprise, first of all, should allow the responsible employees of individual divisions and industries to achieve their specific goals.

Therefore, it is important to achieve a structure of the financial estimate in such a way as to ensure that the overall goals of the whole enterprise are achieved through separate allocations; second, the financial estimate should logically and effectively coordinate all departments and general tasks of the small enterprise, because the activities and tasks of one department are directly or indirectly related to other departments, and therefore it is important that the employee involved in preparing the financial estimate takes into account all departments and their functions;

thirdly, the financial estimate should be clear to the users, based on them, and the tasks should be detailed, thematic. It is important that the financial manager and other relevant staff who prepare the financial estimate take a very serious approach to this issue, be able to correctly assess the available opportunities, to eliminate shortcomings in a timely manner, otherwise attempts in this area will inevitably lead to negative goals.

If the financial estimate is an effective tool of control and the basis of strategic planning, it should be constantly monitored in terms of the reporting period and the next period, and appropriate operational changes should be made based on a reassessment of opportunities. The analysis of the financial estimate should be carried out by preparing a periodic report and holding a meeting of a

special commission on the preparation of financial estimates for the revision of the actually implemented and future plans.

Typically, such loans create greater freedom for entrepreneurs than commercial banks and are an important source in the face of financial difficulties and breaches of payment discipline between businesses. The effectiveness of financial management practices in a market economy depends more on the attitude to changes in external and internal conditions that affect the state of the object of management. Therefore, financial management in an enterprise should be based on management methods, techniques and ways, anticipate the situation that may occur and be able to take appropriate action.

The high level of variability and complexity of the market environment, the need to adapt quickly to its changes place high demands on management activities. An example of such an integrated concept of financial management is the Theory of Wealth Maximization. The founders of this theory argue that as a generalized criterion for the effectiveness of financial decisions should be used an indicator that can meet the following conditions:

- based on the forecast of income of business owners;
- be well-founded, clear and understandable;
- be applicable to all aspects of management decision-making.

Within the framework of this concept, the company makes decisions that are more in line with the criteria for increasing the market value of its capital, more precisely - the company's shares. In order to achieve this goal of financial management, it should be carried out in the following main areas:

- investment policy;
- management of funding sources;
- dividend policy.

It should be noted that the theory of maximizing the value of the enterprise is mainly used in corporate governance. While applying this concept to small businesses, the main areas of financial management should be focused

on: managing the sources of funding; cost improvement; monitoring and maintaining the optimal level of financial condition of the enterprise.

The basics of financial management in enterprises depend directly on the logic and specifics of the existing financial mechanism. In this regard, it is important to analyze the current state of development of the small business finance mechanism and show the prospects for its improvement. It is known that in the current context of globalization, the intensification of the process of integration of the national economy into the world economy limits the ability to independently determine the strategic direction of economic policy in each country with a high level of economic openness.

This, in turn, is evident in the fundamental and cyclical problems in the development of the financial system. This is because the growing importance of the classification of financial flows is developing in a certain vector under the influence of the mutual convergence of the national financial system, which is formed on the basis of the national economies of different countries and differs from each other.

The global financial and economic crisis is of fundamental importance for the development of finance as a science, and its role in the transformation processes in the modern economic space requires a study of the specific "architecture" of the financial system in a theoretical and practical way³. At present, the concept of improving the organizational framework of financial management is based on the separation of the financial budget of the state and enterprises, independent management, while maintaining the regulatory functions of the state in the context of economic polyformism and various forms of ownership.

As a prerequisite for the concept of improving the organizational framework of financial management in small businesses, it is necessary to

1. Karlibaeva R. X. Ways to effectively organize the financial management system in joint stock companies // I.f.d. (DSc) dissertation abstract for scientific dissertation. T. : 2018. -68 p.

highlight the following: the development of entrepreneurship based on private property; organization of production and social development on the basis of self-financing; the functioning of the market system of price formation; development of commodity, labor and financial markets; compliance with the market legislation system. In 15-20 years, the main goal of improving the basics of financial management in small businesses in the Republic of Uzbekistan will be to reach the level of developed countries.

The following main strategic tasks should be addressed in accordance with the set goal (third part):

1. Ensuring the steady development of the small business system.
2. Reproduction and improvement of the technological structure of small business production funds and investments, comprehensive support and encouragement of the use of profits for these purposes.
3. Stimulation of innovative activity of the enterprise.
4. Attracting investments on favorable terms for the types of production that create competitive and world-class products.
5. Eliminate instability and volatility in public fiscal policy, which is important for the development of small business, and achieve the level of developed countries.
6. Creation of economic and legal bases for the formation of a full market of financial resources in the Republic of Uzbekistan and ensuring the active participation of small businesses in it and the widespread use of all facilities operating in the investment market, as in developed countries.
7. Critical study of the experience of developed countries in the organization of the basics of financial management in small businesses.
6. Perfect use of administrative and economic methods of regulating the activities of enterprises in the transition to a market economy.

7. Ensuring compliance with the legal, economic, investment conditions that determine the activities of small businesses as equal members of the economic system.

The final stage in the development of the model of the concept of improving the basics of financial management in small businesses of the Republic of Uzbekistan is characterized by the expression of forms of solving strategic tasks to achieve the main goal.

In general, the model of the Concept for Improving the Fundamentals of Financial Management in Small Businesses of the Republic of Uzbekistan, developed in this work, can be successfully used in the current situation.

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