

## ACTUAL PROBLEMS OF ENSURING FINANCIAL STABILITY OF ENTERPRISES IN THE CONDITION OF CORONAVIRUS PANDEMIC

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### ABSTRACT:

**The article examines the issue related to ensuring the financial stability of an enterprises in the condition of the coronavirus pandemic, changes in the composition and structure of financing entities, financial support of entrepreneurs in the current economic conditions, active regulation of their financial condition.**

**KEYWORDS: efficiency of the introduction of the economy, efficiency, innovation and investment activity, innovative product, financial resources.**

### INTRODUCTION:

In the condition of the coronavirus pandemic, the level of economic development and social security of the population began to be determined by the state of the financial potential of the country as a whole and, in particular, of economic entities, which, in turn, depends on the availability of financial resources and the efficiency of their use.

During the coronavirus pandemic, business entities of all levels and spheres lack financial and material resources. There are no well-functioning mechanisms of state support and modern investment instruments for economic entities in the service sector.

### MAIN PART:

The practice of business activities of service entities convincingly shows that their successful functioning and stable development depends on their innovation and investment activity. However, as evidenced by the data of the latest events caused by the coronavirus pandemic, service providers are experiencing a

serious crisis. The share of service sector entities in the total GDP for March-August 2020 sharply decreased compared to the same period last year. At the same time, services based on innovative products did not become dominant in domestic exports, but on the contrary, during this period our country imported more products, which did not stimulate the development of domestic economic entities designed to produce import-substituting products or services.

During this period, the composition and structure of funding entities changed dramatically. The composition began to expand due to credit support of banks, insurance and other financial organizations, and in the structure the share of entities from the service sector is increasing, consistently strengthening their own financial stability.

However, measures aimed at strengthening the financial stability of enterprises during the coronavirus pandemic have begun to gain in importance. More important condition for ensuring the financial stability of enterprises in the current conditions is the degree of efficiency in the use of financial resources. Even creditors became more interested in the liquidity of enterprises, suppliers - in their solvency. However, regardless of the goals of enterprises, everyone began to be interested in their financial stability, especially in the conditions prevailing in connection with the coronavirus pandemic, although the financial condition of enterprises and their stability began to be determined by the ratio of the cost of working capital and the value of their own and borrowed sources of their formation.

The most generalizing indicator of financial stability is now the surplus or lack of sources of funds for the formation of reserves and costs, obtained in the form of the difference in the value of certain sources of funds and the amount of stocks of costs.

The financial condition and its stability depend on many factors, but, first of all, on the structure of the property, its mobility and liquidity, factors of increasing property and sources of coverage for such an increase, the efficiency of using non-current and circulating assets. The indicators of the financial performance of enterprises largely depend on these factors.

The financial condition is largely determined by the increase in property as a whole. Moreover, the growth of property is accompanied mainly by the growth of long-term financial investments.

However, now the structure of assets at enterprises is unsatisfactory both from the point of view of the mobility of funds and from the point of view of their liquidity. The share of the most liquid and quickest selling assets is declining. The increase in property at enterprises by about 82% was ensured by an increase in own funds and by 18% was covered by an increase in the main amount of debt on short-term loans received from banks and other organizations.

Therefore, the inflow of new funds at enterprises is aimed to an increase in the sources of their own funds and an increase in the amount of arrears on short-term loans received from banks, and these funds are mainly directed not to increase long-term investments of the enterprises themselves, but to provide long-term loans to other organizations, which negatively affected on their financial stability.

It is important to ensure that the radical reforms implemented in the tax system are focused on increasing the financial capacity of

legal entities and individuals, depending on the circumstances. This, in turn, can have an impact on the country's economic potential. Increasing the economic potential of the country can lead to the increase in their taxpayer potential. It is important to ensure that the radical reforms implemented in the tax system are focused on increasing the financial capacity of legal entities and individuals, depending on the circumstances. This, in turn, can have an impact on the country's economic potential. Increasing the economic potential of the country can lead to the increase in their taxpayer potential.

The financial condition of business entities in the service sector in the current situation is characterized by instability, their financial stability has significantly decreased in recent years, especially in the conditions of the coronavirus pandemic. There was a shortage of own working capital, as well as the total amount of the main sources of formation of inventories and costs, including short-term loans and borrowings. Clearly, these entities are experiencing an increased payment shortage of the most liquid assets to cover the most urgent liabilities, which amounted to more than 90% of the latter during the coronavirus pandemic. In fact, such kind of situation is occurring in almost all service entities during the outbreak of coronavirus. Expected receipts from debtors exceed the amount of short-term liabilities, although the deficit in the amount of the most liquid and quickest-selling assets in comparison with the amount of short-term liabilities could not significantly decrease and this deficiency amounted to about 50% of the value of the latter. Moreover, there is a lack of funds and accounts receivable in these entities even to cover their accounts payable. The deficit of these means of payment is about 30%, which, in fact, means the bankruptcy of enterprises.

However, they receive their complete monetary value in the system of indicators of

financial results in economic entities of the service sector. The prime cost is growing at an outstripping pace compared to the proceeds from the sale of products (goods, services), which negatively affects, first of all, profits. The cost of sales per UZS of proceeds from sales in 2018 increased by 3.6 points and amounted to 6.7%. The return on sales ratio fell in 2019. The efficiency of using capital, fixed assets, equity and permanent capital also continues to decline. The reasons for the decrease in the profitability ratio of sales are a systematic increase in the cost per soum of products, outstripping its growth rates compared to sales proceeds, a decrease in demand for products of domestic entities due to the expansion of imports of similar goods, as well as a decrease in the purchasing power of the population. The decline in the total return on equity is a consequence of the decline in the return on sales and the over accumulation of assets.

However, differences are undesirable for production in general, since they are not only a characteristic of the level of production of individual economic units, but also the result of the mechanism of this difference. In the future, preference should be given to economic standards.

The profit of business entities did not become the basis for their economic growth and development. A financial basis has not been created for their self-financing activities and meeting the growing social and material needs of the employed population.

In the context of a shortage of own working capital, a decrease in sales profitability, from the establishment of a suboptimal tax burden and interest rates for a loan, one can hardly expect an increase in the services provided and thus filling the vacant niches in the market of goods (services) due to a reduction in supplies outside the republic.

In order to get out of this situation, especially in the conditions of the coronavirus pandemic, it is necessary to create the most favorable external economic conditions for their effective and stable activity. To this end, tax burdens should be reduced, which would allow them to self-finance in the coronavirus pandemic.

### **CONCLUSIONS:**

Consequently, the results of our research allow us to draw the following conclusions.

Most of the subjects are financially unstable. Their financial stability is systematically decreasing due to the chronic shortage of their own working capital. Liquidity is low and many of them are insolvent and are practically on the verge of loss or insolvency.

Therefore, for the operational regulation of the financial condition of economic entities in the service sector, it would be beneficial to instruct the state authorities to determine for them differentiated standards for replenishing their own circulating assets at the expense of distributed profits with the exemption of these amounts from taxation and the introduction of penalties for misuse these funds.

Simultaneously with the above measures, the requirements for improving the efficiency of economic and financial activities of business entities in the service sector should be tightened. The non-competitiveness procedure should be applied to those ineffectively working, allowing losses, and therefore not transferring the required amounts of mandatory payments to the budget, to financially unstable entities and to potentially insolvent ones, if these negative trends are caused by an unsatisfactory balance sheet structure.

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