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REGULATORY FRAMEWORK AND PROCEDURE FOR ORGANIZING FINANCIAL ANALYSIS, CONDUCTING, AND DRAWING CONCLUSIONS

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Abstract
The article discusses the methodological foundations, sources of information and the procedure for organizing financial analysis, the procedure for analyzing the financial and economic activities of business entities.

Keywords: financial analysis, source of information, assessment, financial stability of accounting statements, methodology.

Introduction

As part of the strategy of structural transformation and modernization of the economy being implemented in our country, high-tech enterprises are being created and modern management methods are being introduced. The head of our state has set the task of improving corporate governance by introducing new financial management mechanisms and modern management in joint-stock companies. The methodological basis of financial analysis is developed on the basis of regulatory documents. Regulatory documents governing accounting and auditing are of great importance for analysis (Laws, standards, regulations, instructions, orders, rules and procedures). At the same time, for financial analysis, such standards are defined that are determined by the need to manage business entities. Typically, special attention is paid to the formal and informal aspects of financial analysis.

Official financial analysis is carried out without fail on the basis of specific regulatory documents; informal analysis is arbitrary in nature and is based on the set goals of managers.

The procedure for analyzing the financial and economic activities of business entities on the basis of official regulatory documents can include:

• assessment of the most important performance indicators of business entities;
• assessment of economic insolvency of business entities;
• assessment of the creditworthiness of business entities.

Informal financial analysis examines a wide range of issues, which may include:

• assets, capital and liabilities;
• analysis of financial stability;
• analysis of solvency and liquidity;
• analysis of business and market activity;
• cash flow analysis;
• analysis of equity;
• profit and loss analysis;

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• analysis of accounts receivable;
• analysis of innovation activity;
• analysis of investment activity;
• analysis of tax payments and obligations;
• logistics analysis, etc.

When assessing and analyzing the activities of an economic entity, analytical processing of information is carried out.

The main source of information in this process is accounting (financial) reporting.

Financial (accounting) reporting is the information base of financial analysis, because in the classical sense, financial analysis is the analysis of financial reporting data. Financial analysis is carried out in different ways, depending on the task at hand.

It can be used to identify problems in managing financial and economic activities; serve to evaluate the activities of the organization's management; be used to select areas for investing capital, and finally, act as a tool for forecasting individual indicators and financial activity in general. When assessing the activities of business entities, a special role belongs to economic analysis: in the preparation of financial reports of business entities and explanatory notes, in assessing the financial condition, in preparing a report on economic insolvency, in business restructuring, financial recovery, etc.

There is still no unified methodology for applying financial analysis. In this regard, managers, based on their own practical experience, management features of business entities, industry affiliation, scale of production, volume of information, use separate methodological developments.

According to international financial reporting standards, the analysis of financial and economic activities is carried out in 3 stages:

1 STAGE → the purpose of the analysis and determination of the order of its implementation;

2 STAGE → generation of reliable information and assessment of the quality of information used in the analysis;

3 STAGE → determination of methods (methods) of analysis, carrying out and summarizing the results of the analysis.

The methodological basis for the analysis is drawn up on the basis of regulatory sources.

The current norms of economic analysis of the activities of business entities include the following:

➢ national accounting standards (NAS);

➢ Methodological recommendations for calculating key indicators of business entities introduced by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On

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the introduction of criteria for assessing the performance of joint-stock companies and other business entities with a state share" dated July 28, 2015 No. 207

- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, dated December 14, 2018 No. 1013 On measures to radically improve the system of financial rehabilitation of enterprises with state participation APPENDIX No. 1 to the Resolution of the Cabinet of Ministers dated December 14, 2018 No. 1013
- international financial reporting standards (IFRS);

The national accounting standard "Conceptual framework for the preparation and presentation of financial statements" notes that the purpose of financial reporting is to provide information about the financial position of an economic entity, activities and changes in financial position. According to the financial report, you can also obtain information for making investment decisions, making decisions on issuing loans, assessing the expected cash flows of a business entity, assessing liabilities, and assessing the performance of management.

Subsequent sections of this standard note the need to assess potential changes in the composition of economic resources, liquidity, solvency and other performance indicators. Today there are practically no official documents that sufficiently fully regulate the conduct of financial analysis, and the analyst conducting the analysis carries it out at his own discretion.

The following types of financial analysis of the enterprise are provided:

1. Analysis of financial condition - analysis of the dynamics of the balance sheet currency, the structure of liabilities, the dynamics of fixed assets and other non-current assets, financial results.

2. Analysis of financial stability - indicators of surpluses or deficiencies in sources of formation of reserves and costs, coefficients of financial independence, ratios of borrowed and equity funds, ratio of supply of reserves and costs from own sources, solvency ratio.

3. Analysis of the economic viability of the enterprise - coefficient of loss (restoration) of solvency, coefficient of maneuverability, coefficient of real value of property for industrial purposes. 4. Analysis of the profitability of the enterprise - the coefficient of sales reality, the coefficient of profitability of fixed assets, the coefficient of return on equity, the coefficient of profitability of total capital turnover.

Recommends that analysis be carried out in the following sequence:

1. General assessment of financial condition;
2. Analysis of the financial stability of the enterprise;
3. Assessment of the solvency of the enterprise.

As you can see, a lot has already been done in our republic to develop issues of theory and practice, to formulate a methodology for financial analysis in accordance with the requirements of market relations.

In market conditions, incomplete information provided to users can become a serious obstacle to the development of the enterprise, since the business partners of the enterprise will not receive the information they are interested in about the financial condition, solvency, sustainability, prospects for its development, and often even about its existence.

Such information is obtained by studying available sources - publicly presented financial statements. Therefore, the analysis of financial statements becomes a condition for civilized relations in business, the basis for the reliability and comprehensive validity of financial decisions at all levels and in all business entities, including the relations of business entities with authorities that represent state interests.

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