

The Impact of Financial Markets to the Finance of the Country

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Abstract:

The financial market mobilizes free funds and turns them into financial resources, idle money in the hands of the population into a source of income. The financial market, which includes deposits, bills, foreign exchange, stock, bond, derivative and insurance markets, is usually the driving force of the economy. It serves to solve social problems by developing the financial market, improving the competitive environment, promoting the use of new types of financial management, attracting investments to business entities, and creating additional jobs.

Keywords: financial market, stock market, transnational corporations, international financial relations.

Introduction

Despite the extensive research of international models of corporate governance related to the organization of financial markets, this scientific and practical experience is poorly applied in the real sector of our country's economy. As a result, the conditions of corporate governance are not sufficiently fulfilled in the activities of joint-stock companies. Financial market liquidity is not as required and the current state of secondary market efficiency weakens the activity of the population and other participants of the securities market in the financial market. In the conditions of the market economy, the essence of economic concepts is brought to a system by scientists, experts, combined with the ideas of that time, its functions, principles, specific features, characteristic aspects, and the economic relations between its participants. In particular, the economic essence of the international financial market was created by economists who lived in different periods through their different ideas. However, each economic category is constantly improving based on modern factors. Today, the international financial market also performs new and diverse functions in an additional way. From this point of view, a deeper study of its economic essence, taking into account the theoretical scientific views of several economists, current modern factors and other specific aspects, indicates the relevance of the topic.

Different authors do not interpret the term international financial market in the same way. Often, this concept is used in the plural: international financial markets. In addition, it is common to compare the international financial market with the concept of the world loan



capital market. The definition of the term "international financial market" in different interpretations is its broad or narrow interpretation. In this case, the broad or narrow interpretation is also understood in different ways. For example, the famous scientist L.N. Krasavina notes that "International financial markets in a broad sense are the field of market relations that ensure the accumulation and redistribution of money capital between countries. In essence, this concept refers to the interaction of the interests of its participants, which determine the terms of international financial transactions. The international financial market is a stock market in a narrow sense, that is, a market for transactions with securities.

The main basis of the economic reforms implemented in Uzbekistan since the first years of independence is the expropriation of property from the state and its privatization. Its purpose is to create the basic conditions necessary for the creation of a market economy (formation of the institution of private property, establishment of the economic and legal base and institutional structures without which the private sector of the economy cannot function). Joint-stock companies today occupy a leading position in many areas of the country's economy and are widely distributed legal entities that actively engage in corporate relations through management, monitoring and executive bodies. Joint-stock companies were first established in the 17th century in Europe among owners who worked in the field of sea trade. The legal norms for the activity of joint stock companies were first established in 1808 in the French Commercial Code.

According to the legal basis of this activity, such a society can be established in our country by establishing or reorganizing a legal entity (adding, dividing, separating, changing). Organization of the society by way of incorporation is carried out according to the decision of the founders.

A joint stock company can be established by establishing or reorganizing (adding, dividing, separating, changing) a legal entity. The decision to establish the society is made by the founding meeting. If the society is founded by one founder, the decision to establish the society is taken individually by this founder. The founders of the society draw up a mutual founding agreement on its establishment, the agreement defines the procedure for their joint activities related to the establishment of the society, the amount of the authorized fund (authorized capital) of the society, the types of shares that should be placed between the founders, the amount of the fee paid for them and the procedure for its payment, the rights and obligations of the founders regarding the establishment of the society. The decision on the establishment of the society should reflect the voting results of the founders and the decisions made by the founders regarding the issues of establishing the society, approving its charter, and forming the management bodies of the society.

In a joint-stock company, the selection of the head of the management body and the executive structure should be carried out on such a basis that both the qualifications and character of the person should be compatible with the nature of the work performed by the joint-stock company for the implementation of strategic tasks. It is necessary to maximally mechanize and automate the work of various categories of managers, leading specialists and employees of the joint-



stock company by using the latest technologies, as well as computing techniques. It is important not to allow the higher and executive bodies of the management, as well as the manager and employees of the joint-stock company to duplicate each other in the performance of their duties, and at the same time, to ensure a high degree of interchangeability between them. In this case, the active use of positive means of their motivation (rewarding, allocation of preferential shares, sending them to foreign trips for training, etc.) will have a good effect. It is necessary to have a deep understanding of the control over risk in the management of the joint-stock company by the members of the supervisory board as a component of the work being carried out in this direction.

In order to solve these issues, it is necessary to develop and regulate the rules that explain the importance of the supervisory board in controlling the level of risk in the joint-stock company, the criteria for evaluating the level of corporate governance, internal documents aimed at the effective conduct of corporate governance, and the tactics of measures to be taken in the event of stressful situations in the corporate governance system.

It should be noted that the concept of corporation is acquiring another unique aspect in the current conditions. It is used to define an economic entity established by several legal entities, and each of them can be considered as an independent economic entity related to other property relations, joint business, common goals and interests, general organizational structure. Thus, in Uzbekistan, a corporation can be an independent joint-stock company.

The wide possibilities of corporate organization of economic activities open up wide opportunities for modeling inter-firm relations using the options of creating corporations, based on the use of their advantages.

Among the most important markets in the system are the market for goods and services and the market for labor, as well as the capital market, or more generally, the financial market. The capital market is a market where financial assets: money, stocks, bonds, bills and other securities are bought and sold. The capital market (financial market) is perfect from all markets: - firstly, it is already unique in that almost all participants of economic life have become its subjects in our time: entrepreneurs, consumers, state and local authorities, public organizations, etc.;

- secondly, the objects sold in it are relatively homogeneous (Ukrainian hryvnia, US dollar, euro, shares, bonds), and this speeds up the construction of transactions and makes it more predictable;

- thirdly, it is practically the same price for the whole country (and the international community).

- determines loan interest rates, stock prices, exchange rates and the like;

- fourthly, an excellent computer-information agreement provides it with the highest level of competitiveness: everyone can freely enter and exit this market.

The capital market and the most sensitive to the general state of the economy (both national and global). It is the first and most influential on events related to economic performance, political life, legislative news, natural and climatic processes, epidemic outbreaks, terrorist



attacks and the like. His extraordinary sensitivity to all changes in the life of society and nature is precisely related to the complexities of the human psyche: the aspirations of consumers, the desire to get rich quickly, as well as the attempt to save money from depreciation (inflation). The capital market has gained a reputation for itself and is dangerous. It not only makes a person rich quickly, but also spoils him, for example, deprives him of housing, purchased valuables and the like. He strictly regulates his subjects, forcing them to be especially responsible and proactive. In Western countries, the developed capital market has become a powerful factor in accelerating the development and modernization of the economy and the widespread introduction of innovations. "The industrial revolution of the 18th century," noted J. Geeks, a well-known specialist in economic theory and history, "was not based on the technological development of that time. Everything was invented before, but little was used. Liquid financial markets ensured the implementation of large investment projects that required financial direction. The industrial revolution had to wait for the financial revolution." In modern conditions, this market system has become the main market, which J.M. Keynes is the basis for talking about the transformation of social production (previously as the traditional name of the economy) into a monetary economy. A market economy cannot be considered complete or developed at all without a developed financial market. The main instruments of the capital market (financial market) are: debts, mortgages, shares, corporate bonds, central and local government securities, money, etc. The capital market is very complex in terms of structure.

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