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METHODS OF REGULATION OF MONEY TURNOVER STABILIZATION

Mardonova Ashirjon Tursunbayevna
Samarkand State University, Associate Professor of the Department of Digital Economy
mardonova.a1961@gmail.com

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Received:	10th October 2022	The article presents methods of regulation and stabilization of money circulation, money circulation, market economy, as well as purchasing power
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To date, certain methods of managing and stabilizing money circulation have been formed in the economy. The main methods of state regulation of monetary circulation can be called:

Monetary reforms;

anti-inflation policy.

Monetary reforms are aimed at transforming the monetary system in part or in whole under the influence of various factors. The purpose of such reforms is to strengthen and streamline monetary circulation within the state.

Such reforms, depending on the circumstances, can be global, that is, reforms aimed at forming a new monetary system. Such changes, as a rule, occur when the state system changes.

Also, reforms can partially transform the monetary system:

- issuance of money

-Determination of the scale of monetary units;

- Restrictions on circulation, etc.

The main methods of monetary reforms in the world economy can be divided into three types:

Issue of new banknotes. In this case, the old paper money is exchanged for new signs at a deflationary rate.

Freezing non-cash funds of legal entities and individuals.

A combination of the first two methods.

These methods of monetary reform are global and, despite the "morbidity, they are the only ones during crises in the country's economy.

The anti-inflationary policy of the state also provides for the use of certain methods of influencing the stabilization of monetary circulation in conditions of inflation.

These methods are:

Nullification. This method means the recognition at the state level of invalid depreciated current banknotes and the decision to issue and put into circulation new banknotes. This method is usually used in case of hyperinflation in the state.

Devaluation. This method means reducing the gold content of banknotes.

Revaluation. This method, on the contrary, means the restoration of the gold content of banknotes. This method, as a rule, is applied at slow inflation rates, relative to other states.

Denomination. This method means the consolidation of the face value of banknotes. At the same time, such banknotes are exchanged for new ones with simultaneous recalculation in the same ratio of prices, wages, etc. This method can also be called the "strike out zeros" method.

Anti-inflationary policy is based on two fundamentally different approaches:

Deflationary policy - measures to limit money demand, through government influence on credit and tax mechanisms. Such a policy slows down the economic development of the country and is therefore rarely used.

Revenue policy - full state control over the prices of manufactured products and the level of wages.

Money circulation is an important component of the economic mechanism, and its stability is a necessary condition for general economic balance. A long-term violation of the stability of monetary circulation negatively affects the development of the economy, affecting, to one degree or another, almost all economic processes.

The stability of monetary circulation is manifested in the relative stability of the purchasing power of money, which is expressed in the constancy or growth in the number of goods and services in demand that can be purchased per monetary unit.

In modern monetary systems, the denomination of defective money far exceeds the real value of their material carrier. To maintain this gap, the state establishes its monopoly on issuing money into circulation. The stability of the monetary unit is ensured

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by a set of measures and regulators, in particular, the balance of the monetary and budgetary and financial policies of the state, the balance of the monetary and natural-material structures of reproduction, the correspondence between the demand and supply of goods and services for their individual types. Of great importance is the observance of the basic production proportions between.

- the sphere of material production and non-production sphere,
- production of means of production and consumer goods;
- consumption fund and accumulation fund in the national income;
- growth rates of labor productivity and average wages.

The proportions of social production are interconnected and constantly changing. They are based on the interaction of production and consumption, the market expression of which is the ratio of effective demand for goods and their supply.

The purchasing power of the national currency depends not only on internal but also on external factors. The influence of external factors is reflected in the balance of payments of the country, the state of which largely determines the dynamics of the exchange rate, in turn, the exchange rate has a significant impact on the formation of conditions for the stability of national money.

Its changes affect the value of exports and imports (and, therefore, the level of commodity supply), the inflationary expectations of economic agents, the movement of money resources between the foreign exchange market and other sectors of the financial market, etc. e The higher the level of a country's integration into the world economy, the more open its economy, the more important it is for it to maintain the stability of the exchange rate of the national currency for anti-inflationary purposes.

Monetary policy consists in changing the money supply in order to stabilize the total volume of production, employment and the price level. By exercising credit regulation, the state pursues the following goals by influencing the lending activities of commercial banks and directing regulation to expand or reduce lending to the economy, it thus achieves a stable development of the domestic economy, strengthening monetary circulation, support for national exporters in the foreign market.

Monetary regulation is carried out within the framework of monetary policy, which is developed and pursued by the central bank. To implement monetary policy, the central bank uses the following tools:

1) bank emission (issuance policy);
2) refinancing (accounting policy);
3) the norm of reserve requirements (policy of minimum reserves);
4) open market operations (open market policy): 5) foreign exchange intervention (monetary policy).

Emission policy is a tool of direct influence on the change in money circulation and money supply. It can be stimulating (aggressive) or restraining (restrictive). In the first case, an intensive emission of both cash and non-cash (credit emission) money is carried out in order to revive the economy and support the work of financially unstable enterprises. In the second, a moderate emission is carried out (or not carried out at all) to balance the growth of money and commodity supply and reduce inflation.

Accounting (discount) or pawn policy is implemented through the provision of loans by the central bank to commercial banks on the basis of the rediscount of bills (discount rate) and on the security of bills (lombard rate). The Central Bank announces the refinancing rate, which means at what annual percentage it is ready to lend to commercial banks (if they lack their own credit resources). The refinancing rate means the lower percentage threshold for obtaining loans. The refinancing rate must be higher than the rate of inflation If there is an excess money supply in the economy, the refinancing rate rises, and when inflation decreases, it decreases.

The policy of minimum reserves consists in the establishment by the central bank of reserve requirements for commercial banks, which consist in the obligatory storage by the latter of a certain part of their resources in interest-free accounts with the central bank.

Open market policy is a method of monetary regulation, which consists in the purchase and sale by the central bank of securities on its own behalf in the monetary and financial market, mainly government securities, as well as bank securities, commercial bills discounted by the central bank.

Currency policy. Monetary regulation also has an external economic function, since the stability of the monetary unit implies its stability in domestic and international circulation.

The level of the currency or exchange rate of the national currency depends on:

1) the discount rate, the increase of which stimulates the growth of the exchange rate of the national currency, the growth of deposit interest rates on deposits;

2) foreign exchange interventions (if the demand for hard currency on the exchange consistently exceeds its supply, then the balancing of supply and demand is achieved due to a fall in the exchange rate

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of the national currency, which is fraught with an additional impetus to inflation).

Для регулирования денежного оборота используются также и инструменты бюджетно-финансовой политики.

Budgetary and financial policy is a set of economic and administrative measures taken by the government to stabilize and improve the efficiency of the national economy, using budgetary and tax instruments.

The budgetary and financial policy of the state is aimed at regulating or changing aggregate demand, i.e., the real volume of national production that consumers - enterprises and the government - are ready to buy at any possible price level. Influencing at least one component of aggregate demand (consumer spending, investment government purchases and net exports), the state is able to push demand in the direction of its expansion or vice versa, to contain it.

Thus, budgetary and financial policy is manifested through budgetary and financial regulation, which is carried out by the ministries of finance in coordination with central banks by changing the size and structure of the revenue and expenditure side of the state budget, the ministries of finance can pursue a restrictive and restrictive fiscal policy.

Stimulating policy - reducing the tax burden on producers by reducing tax rates so that they increase savings for their development; an increase in certain expenditure items of the state budget in order to revive those sectors of the economy that serve them. An expansionary fiscal policy is applied during a recession. Its goal is to reduce the recessionary gap in the output of goods and reduce the unemployment rate. Its instruments are: increase in government purchases, tax cuts; increase in transfers.

For example, by reducing taxes on the population, consumer spending can be increased, since the funds at the disposal of the population become more. A reduction in taxes on corporate income will lead to an increase in investment in the economy.

Restraining fiscal policy is carried out by increasing the revenue side of the budget by increasing tax rates, saving public spending. At the same time, the state budget deficit is reduced or turns into a surplus, i.e. its revenue exceeds its expenditure, the growth of the money supply slows down, and inflation decreases. A contractionary fiscal policy is used during a boom. The goal is to reduce aggregate demand Instruments: reduce government purchases increase taxes; reduction in transfers.

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