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ANALYSIS OF EQUITY AND ITS EFFICIENCY IN JOINT STOCK COMPANIES OF UZBEKISTAN

Bunyod Usmonov
Tashkent State University of Economics,
usmanov.b.a@yandex.ru

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Abstract:

In the article, the relevance of the research is based on the existing problems in the assessment of capital efficiency in companies, and the theoretical basis for increasing equity efficiency is highlighted. Also, an analysis was carried out to evaluate the capital efficiency of joint stock companies operating in our country. Based on the results, conclusions and recommendations on increasing capital efficiency have been developed.

Keywords: Equity, assessment, management, efficiency, capital management, analysis.

INTRODUCTION

Today, as a result of the increase in investment flows entering the companies of rapidly developing countries, it is necessary to develop a new approach to determine the optimal composition of capital based on the evaluation of financial assets, to determine the level of influence of own and debt capital as factors affecting capital and to increase the capital efficiency of companies are becoming the important part of financial condition of company.

In particular, in the active investment process in our country, it demonstrates the need to attract foreign investments to large enterprises and to effectively manage the capital of enterprises by financial managers.

LITERATURE REVIEW

According to the foreign economist A. Damodaran, capital represents the total value of money, tangible and intangible assets invested in the assets of this enterprise [1].

And this is one of the vital issues that is widely studied both conceptually and empirically, and in this direction scientists have conducted research in different ways. In particular, according to foreign economist Kehinde James Sunday, increasing capital efficiency in joint-stock companies is important for solvency and liquidity [2]. His paper illustrated that ensuring the sustainability of the financial situation of joint-stock companies, along with the improvement of their financial reports, control system, as well as effective organization of management of their funds, continuous growth and solvency.

According to Mohammad Alipour's research, capital management of joint-stock companies not only serves to increase its profitability, but also provides a great opportunity for the investment process for shareholders by reducing receivables [3].

According to another foreign researcher, Vedavinayagam Ganesan, capital management efficiency is to minimize the demand for working capital and maximize the possible returns[4]. Based on his research, it is possible to increase the level of profitability and profitability of joint-stock companies through effective capital management. Also, according to Hayne Leland, the capital structure of companies plays an important role in determining the cost of debt capital, and debt capital is an important factor affecting the efficiency of a company's capital[5]. According to local scientists, the research of debt capital not only increases the efficiency of the company's capital, but also the future plans of the company have been studied accordingly [11,12].

Among the famous economists, Modigliani and Miller studied the effective assessment of capital structure and value and explained the principles of capital structure formation. In particular, according to scientists, the determination of capital structure and its effective evaluation is based on the theory of effective management of capital and determination of capital structure without taking into account factors affecting the economy, such as taxes and revenues, bankruptcy, unstable capital market and inflation [6]. It is worth noting that, according to the theory of F. Modilyan and M. Miller, when determining the rational composition of capital, several issues regarding the relationship between private capital and the composition of debt capital are considered.

According to the researches of foreign economists Epstein, Gerald and Grabel, Ilene and Sundaram, the capital management efficiency of companies is high when there are strong macroeconomic fundamentals, and it can also have a positive effect on the capital

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management method[7]. Also, based on the studies of economists Myers and Mayluf, retained earnings, private capital and debt capital indicators serve as one of the main indicators in determining the company's capital value and its effective management [8].
According to the research of local economists A.Burkhanov[11] and B.Usmonov[10], financial planning is important in increasing the capital efficiency of the enterprise, and it is emphasized that it ensures the financial stability of the enterprise while maintaining the gap between its income and expenses. Based on the above, a number of conclusions have been given on increasing the efficiency of the company's capital and factors influencing its effective management, in particular, determining the total capital value of the company, taking into account the capital value, the company's profit and its financial condition, and increasing the efficiency of capital management.

RESEARCH METHODOLOGY

Along with the study of scientific and theoretical studies of effective capital management of joint-stock companies and improvement of financial efficiency of the company, its practical aspects are also analyzed. It is worth saying that in the process of analysis, several methods such as comparative comparison, economic comparison and grouping based on statistical data, analysis and synthesis were widely used.

ANALYSIS AND RESULTS

In the effective organization of corporate financial management and financial management mechanism in joint-stock companies, it is important to analyze its capital structure and structure, as well as performance indicators. This, in turn, provides an opportunity for joint-stock companies to effectively use capital, to correctly determine the time factor, to prevent financial risks and to develop sustainably. The financial situation of "Bekobodtsement" JSC was studied, and the capital management process of this joint-stock company was analyzed in depth. We can see its financial situation during the last years (2016-2020) below.

Table 1
Dynamics of financial indicators of "Bekobodtsement" JSC 2016-2020 (%)

Indicators	**2016**	**2017**	**2018**	**2019**	**2020**
Long-term assets	(8,2)%	5,7%	28,5%	2,8%	40,1%
Current assets	40,5%	(6)%	32,5%	65%	(18)%
Long-term liabilities	(38)%	65%	(4)%	80%	(33)%
Current liabilities	43%	31%	(6)%	(35)%	(38)%
Total Sales	11%	12%	28%	6%	32%

In 2016, the volume of long-term assets of Bekobodtsement JSC slightly decreased by 8.2%. During the rest of the years, growth was observed, in particular, in 2017, it showed an increase of 5.7% and in 2020, it increased by 8 times to 40.1%.
In particular, the volume of current assets increased by 40.5% in 2016, while a decrease was observed in 2017, and this indicator decreased by 6%. It increased in 2018 and increased by 32.5% compared to 2017. It should be noted that this indicator changed negatively in 2020 compared to 2019 and decreased by 18%.
Moving to the liabilities section, we can see that long-term liabilities decreased by 38% in 2016 compared to 2015, but this indicator showed positive results in 2017 and 2019, increasing by 65% and 80%, respectively. Although a positive result was recorded in 2019, a negative result was recorded in 2020 and this result was 33%.

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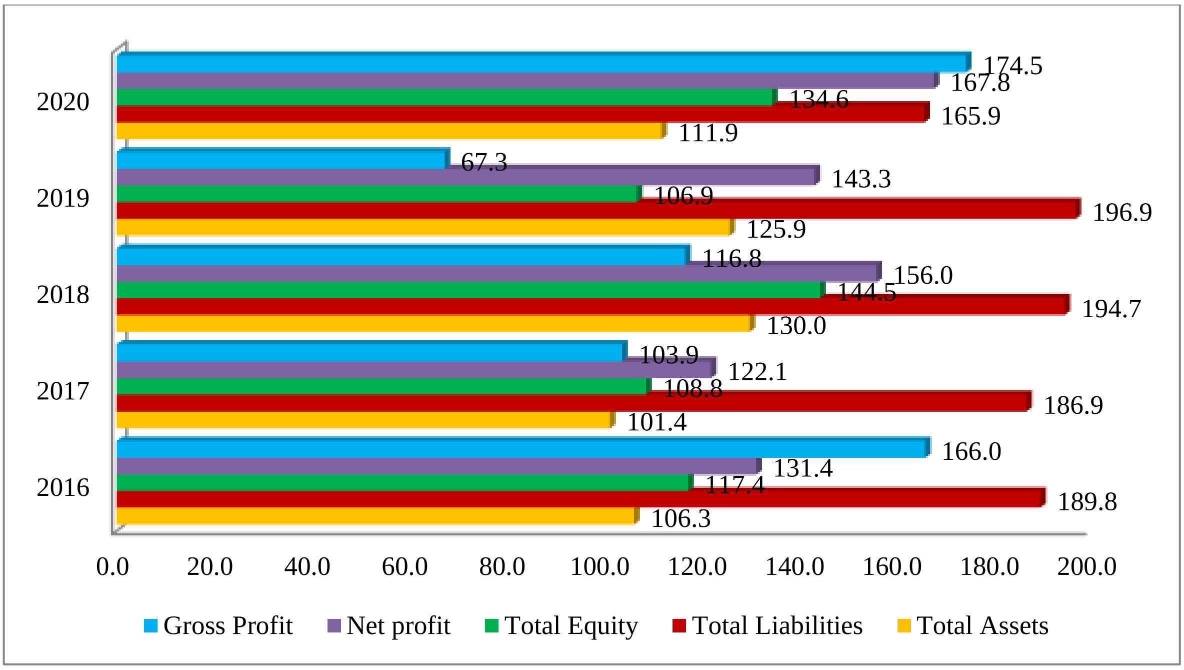

Figure 1. Trend of financial indicators of "Bekobodtsement" JSC 2016-2020 (%)

The trend of changes in capital size, gross profit, net profit, liabilities and assets of "Bekobodtsement" JSC for five years is shown. Almost all indicators have increased over the years. In addition, multiple regression analysis was conducted, the results of which are shown in Table 2.

Table 2
Multiple regression results [1]

Indicators	**(1) ROA**	**(2) ROE**
Long-term assets	2.65*	2.77*
	(1.58)	(15.75)
Current assets	12.37	14.87
	(11.46)	(15.67)
Current liabilities	11.66	13.64
	(12.02)	(16.27)
Long-term liabilities	12.01	14.57
	(9.490)	(12.87)
Total Equity	-9.564	-11.54
	(7.557)	(10.27)
Total liabilities	-4.45*	-5.48*
	(2.47)	(3.06)
Constant	-14.91	-12.29
	(61.47)	(83.56)
Observations	12	12
R-squared	0.754	0.712

[1] STATA 15 calculated by the author through special software.

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Standard errors in parentheses		
*** p<0.01, ** p<0.05, * p<0.1		

According to the regression results, only 2 indicators are statistically significant. Return on assets is the key variable in ROA-based results, while return on equity is the key variable in ROE-based results. Based on the ROA results, it was found that a one percent increase in long-term assets increases ROA by 2.65 percent, and a one percent increase in total liabilities decreases ROA by 4.45 percent. Based on the results for ROE, it was found that a one percent increase in long-term assets increases ROE by 2.77 percent, while a one percent increase in total liabilities decreases ROE by 5.48 percent. We can conclude that the remaining variables do not statistically affect the main variables.

CONCLUSIONS

In the case of "Bekobodtsement" JSC, we express the conclusions about the movement and composition of capital, although the JSC's capital has been growing steadily for five years, the role of debt capital in it. It should be noted that reserve capital and retained earnings have become important in the origin of such positive results.

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