



DEVELOPMENT OF ATTRACTING FINANCIAL RESOURCES FROM THE CAPITAL MARKET TO THE CORPORATE SECTOR

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Article history:	Abstract:
Received: 6 th April 2023 Accepted: 6 th May 2023 Published: 8 th June 2023	This article covers the development of attracting financial resources from the capital market to the corporate sector. It is known from the research results that the methodology for evaluating the effectiveness of the middle tranche should be based on the following methodological guidelines. This efficiency assessment should also be carried out on the basis of the comparison of the forecast values of the selected efficiency and actual costs and the obtained results in the evaluation of the efficiency of the corporate sector in servicing the financial resources involved in the project phase
Keywords: Development of attracting financial resources, capital market, corporate sector, economic development	

INTRODUCTION

In ensuring the economic growth of the country, it is crucial to identify existing problems and shortcomings in the industry of capital market development, meanwhile to improve comprehensive policies to address them. In addition, it is advisable to develop practical recommendations for the use of foreign market development in national practice, effectively using foreign experience. Based on the content of our study, we will first focus on the significance of capital market development in ensuring economic development.

In our opinion, the significance of the effective organization and improvement of the capital market in the economy is reflected as follows. It should be noted that the measures taken by Uzbekistan to improve the legal framework for the organization of non-bank credit institutions in global financial services and simplify licensing procedures, to involve commercial banks in microfinance processes have significantly expanded the size of microfinance services in the economy. In the Banking Reform Strategy of the Republic of Uzbekistan for 2020-2025, the implementation of lending only on market terms, improving the quality of loan portfolio management, adherence to a moderate increase in lending are recognized as priorities for reforming the country's banking system. This, in turn, creates the need to develop the lending practices of commercial banks.

Simultaneously, international experience in regulating the microfinance sector shows the need to enhance the capacity of credit institutions to cope with the growing needs of the population and businesses in microfinance services.

The fourth source is called "comparison". The original meaning of this term comes from the words "to measure" or "to make a comparison between two things". Qiyas is the making of judgments based on the creation and imitation of new solutions by mujtahids on complex and controversial issues, according to the principles described in the Qur'an and hadiths.

In order to ensure the economic development of the country, it is necessary to identify the existing problems and shortcomings in the field of capital market development, as well as to develop comprehensive measures to eliminate them. In addition, it is considered appropriate to develop practical recommendations on the use of capital market development in national practice, effectively using the experiences of foreign countries. Based on the content of this paragraph of our dissertation work, we will first focus on the importance of capital market development in ensuring economic development.

In our opinion, the importance of effective organization and development of capital market activities in the economy is reflected in the following.

Firstly, as a result of the development of the countries of the world, the processes of globalization and integration between the countries are developing accordingly. As a result, the development of the global capital market is causing changes in both quality and composition.

The capital market is a mechanism created for optimal distribution of financial resources and efficient allocation of national savings to investments. In turn, investments are important for economic growth of the state, development of infrastructure, entry of business to international markets and employment of the population, penetration of innovative technologies, and



provision of macroeconomic stability. Globalization of international capital flow shows that it is wrong to approach the world economic system only as an external factor. Because the capital market, which is becoming an integral part of the globalization of the world economy, has a trend of development and growth from year to year.

Secondly, one of the important conditions for the effective organization of the modern economic system is to increase business efficiency. One of the important factors for achieving these goals is the attraction of cheap financial resources, and on the other hand, their effective deployment. The instrument for the implementation of such a function is to influence the structure and size of production, to terminate the activities of enterprises that cannot withstand the competition in the economy with low profitability and losses, to develop innovative technologies, to ensure sustainable economic growth, to choose an effective project from among investment projects, and so on. It is the capital market that serves to implement such things.

ANALYSIS OF THE RELEVANT LITERATURE

Based on the above, it should be noted that the capital market is considered a versatile concept not only in theoretical fundamental research, but also in practice, and according to its goals and the object of research, it covers a wide range of activities and sectors, including production, financial and non-production sectors.

Based on the content of this paragraph, at the next stage of our research work, we will focus on the theoretical conceptual foundations of the capital market and their content.

The main sources of financial resources and capital for economic entities are the financial market and capital markets. Based on this, we can form the following conclusions based on the analysis of scientific approaches to the interpretation of the "Financial Market" and "Capital Market" categories. As the scientists who conducted research on the features of the modern capital market noted - "the capital market is a wide-scale concept not only in economic science, but also in practice, depending on the set goals, as well as research objects, it covers a wide range of activities".

According to V.V. Kovalev, the author of scientific works on finance and financial management, "the capital market is a market where long-term capital and debt obligations accumulate and circulate. This market is the main type of financial market, with the help of which companies have the opportunity to find sources of finance for their activities. Dvoretzkaya A.E.,

who conducted scientific research on the role and importance of the capital market in ensuring economic growth. , "the capital market is a mechanism for optimal distribution of funds and effective transfer of national savings to investments".

The authors of scientific articles on the capital market, its structure and characteristics, Lapshina Z.V. and Pracht K.S. , "the capital market is a part of the financial market, where funds with a term of more than one year are traded." Kasimova M.I. "The capital market forms the economic relations between the subjects of economic activity - on the one hand, the demand and, on the other hand, the supply of investment goods".

German economists L.Perridon and M.Steinel in their scientific work entitled "Finance of companies" define the capital market as follows: "The capital market is an organized stock exchange that trades securities for a period of more than one year." According to R.R. Rubtsov, the author of many scientific works on the fundamentals of the regulation of the financial market and securities circulation in the Russian Federation, "The financial market is a set of economic relations and institutions related to the movement of money capital." According to Ivanova V.V., the author of the scientific monograph on the modern views of the financial market and its structural segments, "the financial market is the sphere of financial transactions using financial instruments." According to F. Mishkin, the author of numerous scientific literature on the international financial market and institutions, their organizational and economic foundations, "the financial market is a market that serves to transfer money from people with surplus funds to those who lack funds".

It should be noted that many economists are conducting research on the capital market and its institutional foundations and main features in our country. In particular, Professor Shokha'zami Sh.Sh. according to , the financial market is a system that manifests itself as a complex that creates the necessary market conditions for economic entities, which is provided by an organized economic-legal mechanism related to financial instruments equivalent to a monetized real investment base. The mechanism of this system is activated by all economic entities within the framework of the special goals of each of them.

i.f.n. S.P.Abdullaev stated that "With the help of the financial market, the flow of money in the economy is ensured, as well as the "non-stop" formation of financial resources, their effective use and investment. It ensures free movement of investment money between different areas of economic activity, free and rational use of financial resources. In turn, the



mobilization of money as capital for production strengthens the economic potential, accelerates innovation, scientific and technical progress, and on this basis serves to further increase the well-being of the people.

Professor S. Elmiraev states that the financial market is a generalization of the following markets: credit market, money-credit market, securities market, precious metals market, insurance and private pension market. The financial market is divided into the money market and the capital market according to the term of the instruments in circulation. Circulation of cash, short-term means of payment, short-term savings up to one year in the money market.

RESEARCH METHODOLOGY

Authors who have conducted research in this regard consider the capital market as a financial market, or as a credit market, or as a part of the stock market, or as a combination of the stock market and the credit market. They include the money market, insurance market, and investment markets as part of the capital market. In addition, scientists emphasize that the concept of the "capital" market is not the same, and this situation is caused by the existence of different concepts of the concept of capital, the diversity of the classification of tools and goals used in the financial market and the capital market. The issues of similarity, complementarity and substitution of these definitions are widely discussed in the scientific literature.

The economic essence of the capital market is manifested in its specific functions (redistribution, property accounting, capital concentration, ensuring the reproductive process) and general market functions (price determination, market intermediation, optimization of transaction costs, information). Therefore, we believe that the main criterion for determining the capital market is the interdependence of functions related to the redistribution of capital

between market participants and the transformation of capital from savings to investments.

RESULTS AND DISCUSSION

In our opinion, we can express the sequence of actions for attracting financial resources and evaluating their effectiveness according to the following procedure (Fig. 1). Based on the information of this picture, it is advisable to clarify each step.

Assessment of the company's financial condition. At this stage, the company's finance department should evaluate indicators describing the company's liquidity, profitability and profitability, analyze the burden of the existing financial portfolio on the company's financial flow, evaluate the existing structure and capital costs, forecast the impact of market conditions on the company's financial position in the medium term. The end of this stage is to draw a conclusion on the current and future financial potential of the enterprise.

At the stage of development of investment policy and identification of priority investment programs, which require the attraction of financial resources, the finance department should actively participate in the development of investment policy and investment programs in the following areas:

- to determine the need for financial resources necessary for the implementation of investment programs aimed at the development of the company's activities in order to maintain the existing volumes of activity and to ensure its growth and strong position in the market;
- assessment of the level of adequacy of own financial resources;
- assessment of the overall investment policy of the company and the effectiveness of individual investment programs based on the classical method of evaluating cash flows (IRR, PI, NPV);
- determination of investment programs that require the attraction of additional financial resources based on the current financial situation of the company.



Figure 1 - Efficiency assessment algorithm for attracting financial resources

The end of this stage is to determine the company's need for financial resources in terms of their volume and terms.

When developing a plan for attracting financial resources necessary for the implementation of investment programs, this plan should be developed by the finance department separately for each investment program, and these plans should be implemented in order to provide the total investment programs of the company with financial resources in the necessary volume and terms in time. must be ensured and aligned with the stages of improvement. The end of this stage consists of:

- 1) a financial plan for providing investment programs;
- 2) the task of attracting financial resources in terms of time and volume.

Based on the company's financial situation, investment programs and the plan for attracting

financial resources, justify the methods of attracting financial resources, the types of capital market, the main parameters of borrowing. The choice of such a method is made taking into account the principles of attracting financial resources (the principle of diversification, the principle of optimization, the principle of hedging, the principle of compatibility), the objectives of the attraction, the characteristics of the company, and the basic and additional parameters that determine the volumes and conditions of the attraction.

The basis of decision-making on the choice of the method of attracting financial resources should be the question of evaluating the effectiveness of attracting financial resources from the capital market. For this:

- 1) determine the structure of costs for each method of attraction;
- 2) it is necessary to assess the factors and risks affecting the level of cost-based risk management



methods, taking into account the three main scenarios (pessimistic, realistic, optimistic) in the process of attracting financial resources and providing services. At the same time, when assessing the factors and risks of attracting financial resources from the capital market, it is necessary to take into account the theoretical and methodological principles developed by us;

3) it is necessary to determine and evaluate the effectiveness of attracting financial resources for the company;

4) it is necessary to calculate the efficiency indicator of attracting financial resources for each process as a ratio of efficiency to cost.

In addition to the overall effectiveness of the project on attracting financial resources, it is also necessary to evaluate the effectiveness of each stage of attracting financial resources.

1) direct attraction of financial resources;

2) service provision of involved financial resources;

3) reimbursement of involved financial resources, if provided.

In our opinion, in the process of determining efficiency, the overall efficiency of the project should differ from the efficiency of individual steps due to the complexity of taking into account the efficiency of financial resources attraction at intermediate stages.

The end of this stage consists of the following:

1) attraction plan, taking into account the method of attraction of financial resources and compliance with the size and conditions of attraction;

2) a calendar plan of actions for its implementation.

CONCLUSION

The following can be given as the end of the stage:

1) conclusion on the real value and structure of the capital;

2) conclusion on the quality of financial planning for attracting financial resources;

3) assessment of the influence of external factors on the results of attracting financial resources;

4) analysis of the correctness of the methods of taking financial risks into account and minimizing them at the stage of attracting financial resources from the capital market.

The stage of developing procedures for the management of involved financial resources in accordance with previously established goals and objectives. At this stage, the company's finance department should focus on the following priority tasks:

1) selection of excess liquidity management instruments and their placement (banks, management companies);

2) analysis of the company's financial situation and the adequacy of its financial resources to service the financial resources involved;

3) reorganization of debt structure and/or additional attraction of financial resources if there is a lack of resources to service the financial resources involved.

As the end of this stage, we can give the following:

1) a plan for using the financial resources involved;

2) implementation of scenario plans of actions in case of occurrence of risks and force majeure.

Evaluation of the service efficiency of financial resources involved in accordance with the method and structure of involvement chosen on the basis of a methodological approach to the assessment of the effectiveness of cash flows. The procedure of attracting financial resources is related to the need to implement them in the prescribed manner in the conditions of placing bonds and attracting loans, and according to the results of each tranche, we need to evaluate the actual effectiveness of attracting financial resources in order to optimize the financial policy of the company.

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