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THE ESSENCE OF FINANCIAL CONDITION ANALYSIS IN INCREASING THE EFFICIENCY OF THE FINANCIAL AND ECONOMIC ACTIVITIES OF THE ORGANIZATION

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Abstract:
The article notes the importance of analyzing the financial condition of an organization in increasing the efficiency of its financial and economic activities, and studies the elements of financial activity, tasks, functions, and the order of stages in analyzing the financial condition of an organization.

Keywords: Financial analysis, financial condition, financial statement, evolution, financial results, financial indicators

INTRODUCTION.

The value of analyzing the financial condition of an organization consists of in maintaining the economic security of the organization in constantly changing modern conditions. Firstly, this type of organization needs to carry out strategic planning and create conditions for effective management of its own financial resources, therefore they are recommended to use in their activities such a tool as financial analysis. Secondly, due to the lack of stability in the economic situation, the management of any commercial organization needs to formulate decisions that will increase the efficiency of their financial and economic activities and ensure leadership among competitors. Based on the research, the relevance of using this method for organizations has been proven and an improved methodology has been proposed to ensure their economic security.

METHODOLOGY.

This article used various research methods. Among them are the comparison method, the financial method coefficients, systematic approach, forecasting and analytical method and method of expert assessments.

LITERATURE REVIEW.

The purpose of the financial analysis is to provide information to financial managers and analysts to make thorough decisions about their business. Assessing financial position and performance of an enterprise is a skill that every manager needs to have to make the best and right decisions for the company. The analysis of the financial statements is a method of comparing, judging or valuate the situation of particular parts of the balance sheet, on the basis of which important decisions are made. So, financial analysis is an analysis of balance sheets for the past, present and future of the enterprise. Balance sheet position values separately do not have high analytical significance, but if we compare them to the values of other balance sheet positions then their comparative value increases. Financial analysis is a study of the company's financial statements by analyzing the reports. Report analysis is a tool that easily calculates and interprets reports that are used by investors, creditors, enterprise executives and others [1].

Achieving high performance in management is competitive financial status of enterprises in economic conditions, their activities determination and analysis of efficiency is of great importance not only for economic entities themselves, but also for creditors and investors.

In the financial analysis, not only the financial situation of the enterprise is clarified, but also its prospects are shown. Also, in order to actively attract investments, it is necessary to analyze and calculate the investment attractiveness ratings of business entities [2].

The financial condition of the enterprise is a set of categories and process results describing indicators such as its level of financial resources provision, level of competitiveness and bankruptcy, state of financial stability and solvency, ability to fulfill obligations to the state and other economic entities. contains z.

Through the study and analysis of the financial situation, to assess the possibilities of establishing and growing the effective activity of the economic entity, the income of financial

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resources from the production, commercial and financial activities of the enterprise and the levels of their use in the development of the financial situation. , it is possible to predict the expected financial results and determine ways to increase economic profitability based on the real possibilities of economic activity, to determine measures for more effective use of financial resources.

Maximizing the company's profit, optimizing the capital structure and ensuring its financial stability, increasing the attractiveness of the financial position for owners (participants, founders), investors and creditors, and creating an effective mechanism for the management of the company formation can also be achieved by using all the opportunities of the market mechanism in attracting financial resources [3].

To such an economic entity as a commercial organization, it is necessary to formulate solutions that will increase the efficiency of its financial and economic activities and ensure a leadership position among industry competitors. Therefore, for comprehensive planning of its activities, it needs to use various techniques for analyzing its financial condition.

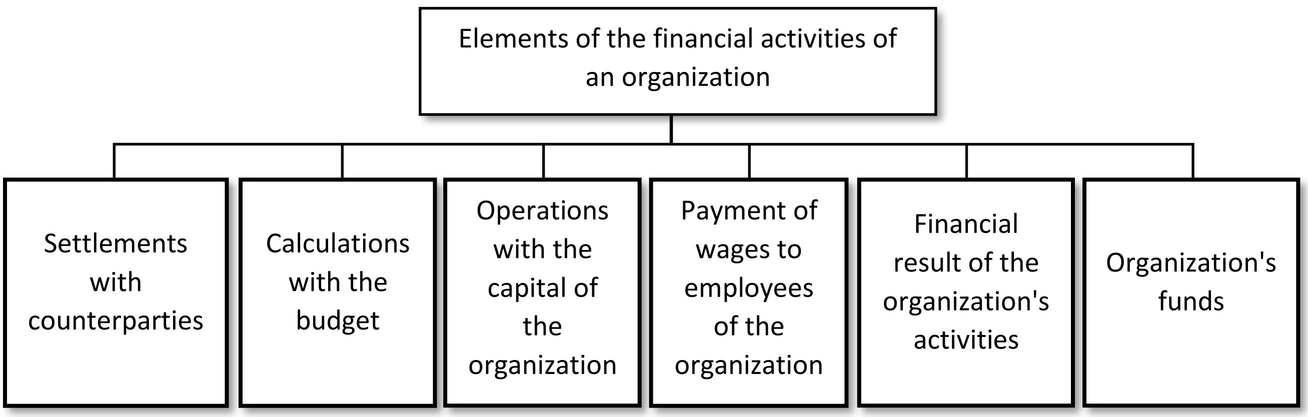
"Financial analysis is the process of determining the significance of various changes to which financial indicators, and study of the results of the financial and economic activities of the organization. In the process of carrying out this method, a complete and detailed analysis of the organization's financial statements is carried out and financial indicators are calculated that reflect the effectiveness of the organization's financial and economic activities" [4].

"The main goal of analyzing the financial condition is to build such a process for managing the organization's activities, who will be able to ensure the implementation of the plan drawn up by management, or the implementation of measures aimed at preventing and overcoming the financial crisis in the enterprise" [5].

Comparing stewardship and valuation objectives often assume that financial reporting systems are only capable of producing one 'signal' to investors. This is unrealistic because investors are presented with multiple measures of financial performance and financial position in the various financial statements companies prepare. The current mixed measurement model for financial reporting produces information across (and within) different financial statements with different properties (such as the level of managerial judgment involved and the degree of verifiability). Furthermore, an assessment of the decision usefulness of financial reporting for different objectives needs to recognize that investors have a range of information sources at their disposal, both within and outside the financial reporting system [6].

ANALYSIS AND RESULTS.

Financial activities of an organization as the subject of research and the assessment process includes the components shown in Figure 1.



Drawing1. Complex of elements of financial activity

These elements ensure the complexity of the organization's financial activities. It is necessary to make it possible to regulate the interaction of elements of financial activity, which will allow obtaining a positive result analysis of financial condition.

The main objective of the financial analysis process is to collect and research of information for its subsequent assessment, making the right

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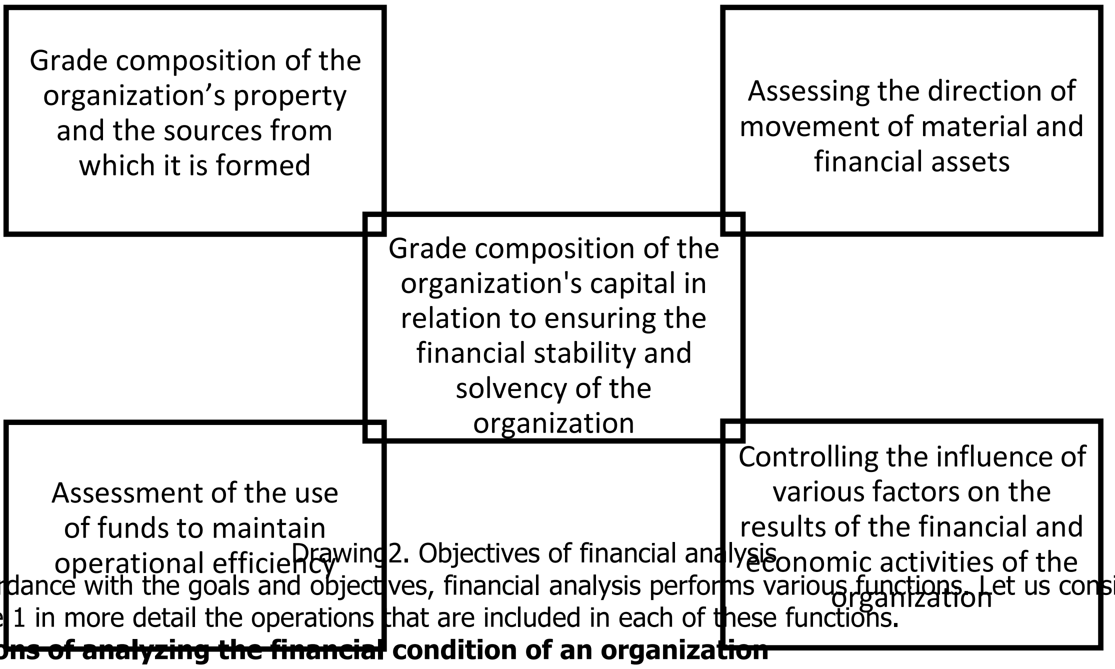
management decisions and forecasting the dynamics of financial indicators.

The following tasks are identified that are being solved during the analysis of financial condition. They are presented in Figure 2.



Drawing 2. Objectives of financial analysis

In accordance with the goals and objectives, financial analysis performs various functions. Let us consider in Table 1 in more detail the operations that are included in each of these functions.

Functions of analyzing the financial condition of an organization

Table 1

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No.	Name	Description
1	Information	Reflects the degree the influence of economic phenomena and various processes on the organization, characterizes the financial condition of the organization, reveals the tendency of factors influencing the organization's activities.
2	Stimulating	Reflects the direction of development using the advantages of the organization. Allows you to carry out the process of eliminating problems that can have a negative impact on its activities.
3	Control	Reveals the need to take certain actions to eliminate the negative dynamics of the organization's financial performance indicators in order to achieve compliance with planned values.
4	Forecast	Reflects the planning of future values of the organization's performance indicators based on current analysis results.

Carrying out an analysis of the financial condition of an organization facilitates the process of carrying out subsequent financial transactions. In addition, this process allows you to increase the degree of control over such operations. It consists of stages that follow each other. Let us present their order of priority in

The order of stages of financial analysis

Table 2

Name	Description
1	2
First stage	At this stage, the period for which the analysis will be carried out is determined. An information base is also being formed, including the financial side of the organization's condition and how various factors affect its activities. Next comes the process of deciding whether it is necessary to develop procedures for its financial recovery.
Second stage	A plan is being formed for a certain period, which includes the goals and objectives of the study. A set of actions is drawn up to achieve improving financial condition organizations. Aspects such as the direction, scale and depth of the analysis that is planned to be carried out are highlighted.
Third stage	Continuous monitoring of the implementation of activities is carried out in accordance with the approved plan. The financial condition of the organization is assessed using financial indicators. Next, the process of identifying results is carried out, it is determined to what extent the actions taken made it possible to achieve or not achieve the planned level.
Fourth stage	A report is generated that includes the received results. They are assessed from the point of view of achieving financial recovery. Conclusions are formulated.

CONCLUSION.

Therefore, having studied all the elements that form the essence of the analysis of the financial condition of an organization, we can formulate a conclusion about the importance of its application. This process allows us to determine the direction of decisions made that will have an impact, both for current activities and for subsequent actions.

Summing up based on the information presented earlier, it is possible to draw conclusions. Conclusion that the result of using such a method as analysis financial condition is capable of providing a certain degree of influence on future activity. It will help illuminate problem areas in activities of the organization and indicates that the organization needs financial recovery in order to avoid reaching a crisis state.

Based on the analysis, we can conclude that leading in terms of the degree of threat, the problem for organizations is the large volume of accounts receivable in the balance sheet structure and the tendency for its further increase. This situation should not worsen, otherwise there will be a loss of financial stability. Firstly, the amount of revenue will decrease, and secondly, the value of the cost amount will increase. And finally, it is possible to reduce the value of net profit down to its negative value. Subsequently this may lead to bankruptcy.

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Set of measures financial control is introduced into activities organizations, pursuing the goal of being able to regulate the direction of its financial resources and further build an environment that can lead to an improvement in the current situation.

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