

## MECHANISM FOR INCREASING THE EFFICIENCY OF THE USE OF CAPITAL

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**Abstract.** This scientific thesis reveals the economic importance of the coefficients used in the assessment of the effective use of capital. Performance indicators related to the use of capital in joint-stock companies were analyzed. A scientific proposal and practical recommendations on the effective use of capital have been developed.

**Keywords:** capital, efficiency, financial results, financial activity, financing, investment, corporate finance, risk, dividends.

Today, the daily growth of capital of companies and the need for its future financing is an important component of it. Depending on the activity of the enterprise, capital, debt, or equity financing may be obtained. A number of international and local scientists are conducting research in this topical area. Based on these, scientists have several definitions of capital, in particular, according to A. Damodaran [1], capital represents the total value of money, tangible and intangible assets invested in the assets of this enterprise. This is one of the current issues that is widely studied both conceptually and empirically, and scientists in this direction have conducted research in different ways. In particular, according to foreign economist Kehinde James Sunday [2], increasing capital efficiency in joint-stock companies is important for solvency and liquidity. His research showed that ensuring the stability of the financial situation of joint-stock companies, along with the improvement of their financial reports, control system, effective organization of management of their funds, continuous growth and solvency.

Analyzing the capital of companies using a comprehensive approach not only allows for analysis of the structure and circulation of the company's capital but also makes it possible to systematically analyze it. At the same time, an analysis of the company's capital movement indicators is considered, along with an assessment of the company's equity capital and debt capital composition.

Secondly, as a result of a comprehensive approach, the efficiency of the use of the company's capital is analyzed, through which the company's private and debt capital turnover is monitored, and its private and debt capital profitability is analyzed.

Thirdly, the impact of the company's capital composition and structure on financial stability is studied and evaluated.

Fourthly, the procedure for forming the additional amount of capital needed by the company is determined.

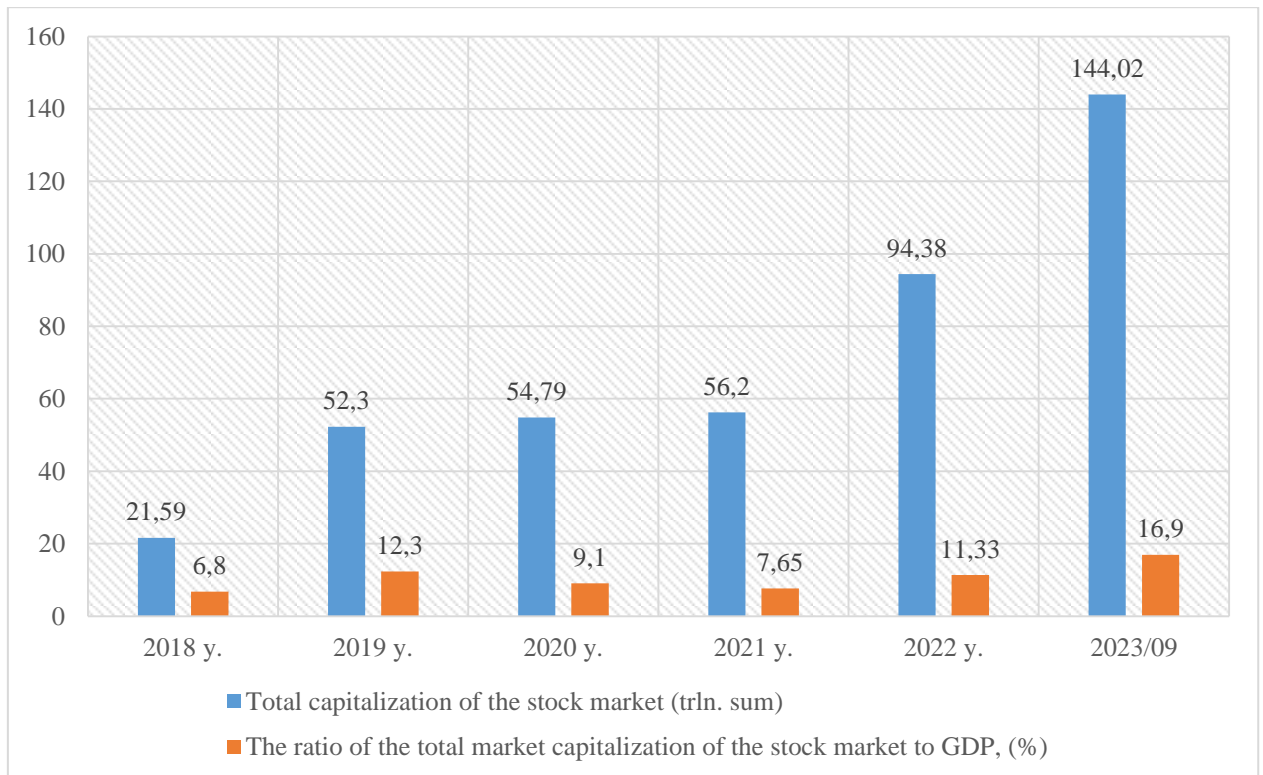
The fifth is to determine the growth reserves and opportunities of capital utilization efficiency indicators. In particular, through the above approach, along with the effective organization of the company's capital management process, the company also ensures its financial stability by using its financial resources wisely.

In the effective organization of the corporate financial management mechanism in joint-stock companies, the analysis of its capital structure and structure and performance indicators is of great importance. Usually, in the formation of preliminary data, changes in the structure of the capital of joint-stock companies are carried out based on information on the accounting balance sheet and the capital report. The following are the main objectives of this analysis:

- assessment of the composition and structure of the capital at the beginning and end of the analyzed period, formation of promising strategies based on the determined results;
- to study the dynamics of the composition and structure of the capital for the analyzed period, to determine the types of capital affecting the efficiency indicators;

- analysis of directions of capital use based on horizontal and vertical analysis;
- making decisions on optimization based on the identification of types of fixed capital affecting financial stability;
- correct assessment of the ratio between equity and debt capital in the development of future strategies of joint-stock companies.

When analyzing most joint-stock companies, management decisions are made based on the information reflected in their financial statements, relying on the necessary financial indicators. In a broad sense, the use of the system of financial indicators not only shows the degree of achievement of financial goals but also is one of the important aspects of increasing the capital efficiency of joint-stock companies and at the same time managing financial risks. This allows joint-stock companies to effectively use capital, correctly determine the time factor, and prevent financial risks. By the beginning of 2022, the number of joint-stock companies operating in the Republic of Uzbekistan is 603, and the total value of the capital of joint-stock companies with more than 50% of the authorized capital is 76368.4 billion soums, while the capital of joint-stock companies with a state share of more than 50% of the authorized capital is 2502. 2 mln. It can be noted that the US dollar. In particular, the capital of joint-stock companies with a state share of more than 50% in the authorized capital as euros amounted to 96,754.8 million euros. Also, during 2022, the total market capitalization of the issuers included in the list of stock exchange quotations changed significantly, by the end of the period there was a decrease and an increase in capitalization. As of 01.05.2022, the market capitalization was 55.72 trillion soums and varied between 55.72 and 152.10 trillion soums until 30.12.2022 (Figure 1).



**Figure 1. Total market capitalization of the stock market in 2018-2023 [3]**

Because of structurally in-depth study and analysis of assets, debt capital and private capital of joint-stock companies in the process related to capital, joint-stock companies provide a high level of efficiency coefficients, as well as financial stability. In particular, because of these, joint-stock companies not only serve to increase capital efficiency but also provide an opportunity to sustainably maintain the balance of factors affecting capital.

Increasing the efficiency of capital management of joint-stock companies provides an opportunity to increase capital efficiency in joint-stock companies because of using modern methods of proportional assessment of private and debt capital thereby increasing capital efficiency. Also, it serves to study and evaluate the level of influence of factors affecting the private and debt capital of joint-stock companies, as well as to determine the rational composition of the capital structure. Optimizing the capital structure is a continuous process of adapting to changes in the economic situation, tax legislation and competitive forces. Therefore, solving the problem of capital structure optimization is a complex process. There is no

general theory that can be applied to any joint stock company. In general, when optimizing the capital structure, many factors should be taken into account, and these factors can be both qualitative and quantitative.

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