



THE PLACE AND SPECIFIC FEATURES OF FINANCIAL ANALYSIS AMONG OTHER AREAS AND LINKS.

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<https://doi.org/10.5281/zenodo.8139180>

Annotation: This article presents the analytical foundations of The place and specific features of financial analysis among other areas and links. The existence of financial and economic analysis in each country is the basis of economic stability. the financial analysis and types of enterprises, firms and organizations as well as individual organizations are presented. Tables by year are also given.

Key words: Economy, finance, economy, objective conditions, financial analysis, science, development, empowerment.

The emergence of human society gave impetus to the improvement of human consciousness. As a result of the development of human consciousness different opinions and views about the study of existence began to appear. As a result of the formation and improvement of ideas, to certain disciplines founded.

The emergence of a vital need for the emergence of any science must. Therefore, the formation of science is the product of the creativity of a person instead of being, it relies on an objective process. The science of economic analysis of economic activity has a centuries-old history based on such disciplines as accounting and statistics arrived, and objective conditions were created for this. Accounting, like all disciplines, has its history for improvement and the emergence of several other sciences served as a methodological basis, because the concentration of production, the expansion of enterprises, economic activity expansion, complexity of economic processes accounting work created the need for improvement. Therefore, books devoted to accounting in the 16th and 17th centuries were published in Holland, France, and England published in countries. As a result, the accounting of the Earth began to spread widely, not in one part, but in all countries. Development of production during this period economic processes requires accurate and complete accounting, but production improvement, free competition between enterprises arrival, study the accounting information in depth and correct it needs to be explained. This, in turn, required the creation of elements of analysis, because accounting and statistics science had difficulty answering many questions regarding the improvement of the "trade secret". Each economic entity has its own market relations aims to achieve a net profit as a result of the activity. That's why it's pure study the amount of profit and evaluate it to the influencer leads to storage. The profit that remains at the disposal of the enterprise and at its free disposal is called net profit. Subtract the amount of profit (income) and other taxes, etc. allocated from the amount of profit before tax payment.

based on Net of its changes in previous years of profit, compared to its past performance. This final line of financial performance is all internal and the issue of the organization's use of information. To the level of usefulness of using external information, to the conditions of

purposeful management of own assets is also of great importance. For example, the founder of the property participants to shareholders or private to the state of the account profit depending on the capital share and if they are interested in the net profit retained by the enterprise, and investment sponsors are the development and growth of the enterprise are more interested in their degrees.



Above, there are six interrelated Sequential Steps in Financial Statement analysis¹. These six steps provide a logical and powerful sequence that will enable you to address very important and difficult questions, such as how to analyze and value a firm. We use these six steps as the analytical framework for you to follow as you develop your skills in analyzing and valuing companies. This chapter introduces each step. Subsequent chapters develop the important concepts and tools for each step in considerably more depth. The most common types of financial analysis are:

1. Vertical
2. Horizontal
3. Leverage
4. Growth
5. Profitability
6. Liquidity
7. Efficiency
8. Cash Flow
9. Rates of Return
10. Valuation
11. Scenario & Sensitivity
12. Variance².

Each type of financial analysis is a very important factor for society and country's economy.

¹ Financial Reporting, Financial Statement Analysis, and Valuation A STRATEGIC PERSPECTIVE JamesM.Wahlen

² Corporative finance institute.com information



A breakdown of the income statement

Tensel					
Income statement					
\$ millions	Year 1	Year 2	Year 3	Year 4	
Sales revenues	81,422	84,698	88,236	90,637	Sales revenues
COGS/COS	(38,121)	(37,756)	(36,327)	(42,938)	Direct costs
Gross profit	43,301	46,942	49,002	50,932	Gross profit
Research and development	(5,884)	(6,421)	(7,893)	(6,812)	Research & development
Marketing	(23,507)	26,569	(29,732)	(30,009)	Marketing
Sales	(1,764)	(1,931)	(2,530)	(2,563)	Sales
General and administration	(2,960)	(2,803)	(2,762)	(2,947)	General & administration
EBIT (operating profit)	9,186	9,218	9,390	9,784	Income from ops
Interest	(1,073)	(1,102)	(1,147)	(1,182)	Interest inc/exp
Taxes	(2,761)	(2,429)	(2,193)	(1,764)	Taxes
Net income	43,301	46,942	50,082	55,273	Net income

Sales revenues are the most important components of the income statement and are used in several of the ratios seen throughout the module

Cost of good sold relates to direct labor and raw materials in order to create the product of service that is being sold, as well as depreciation on manufacturing equipment used in production

Gross profit tells us what the gross margin is before we take into account any other costs needed to keep the company running.

Indirect expenses are those required to keep the company going. The most common are: research & development, marketing, sales, and general & administration

Operating income is used to pay the government, creditors, and ultimately the shareholders.

Net income is the final part of the income statement and represents what is remaining to be paid to the shareholders.

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In this module of this financial analyst course, we work through the various components of the income statement and explain how to analyze it. Using real-life case studies, you will learn how to perform robust vertical and horizontal income statement analyses using various performance ratios. You will also learn how to benchmark income statement performance against an appropriate peer group. By the end of this module, you will be able to undertake a comprehensive financial analysis of any income statement³.

Studying the property, capital and liabilities of the enterprise through financial ratios makes it easier to assess its financial status. Financial ratios based on mutual comparison of financial reporting indicators and unit elements is determined. Its general and unit indicators can be composed. In this expression coefficient, index and percentages are used. Based on the determination of financial ratios and a comparative comparison of its changes it is possible to study and know the financial situation of the company and the firm more precisely. For example; "financial independence ratio" of one company or firm pay attention to the identification of this indicator "Source of own funds" "Accounting is determined based on dividing the balance by the total. This is the indicator of the company or firm describes which level of funds reserved in the action belongs to him. That is expresses which part of each soum in action and business belongs to him. "Coefficients describe the relative level of property," says Thomas P. Carlin, Albert M. McLean "Analysis of financial statements (not as novel GAAP)". Firms and companies use not only equity capital but also debt capital in business they use It is inappropriate to operate only on the account of own capital. A clear plan and investment projects not only justify themselves, but also the property of companies and firms, also allows to increase capital. But still, long-term assets. When sourcing reserves, special attention is paid to the state of own capital. Because it is indicator of financial independence and financial dependence of companies and firms makes it possible to avoid. Companies and firms are primarily responsible for the formation of long-term assets funds and (due to their justification, long term of service) long-term debt requires the use



³ Financial Analysis Fundamentals

of capital. In the source of reserves and expenses, we will definitely rely on our own funds as well as short-term debt based on the speed of their justification we use capital. The last stage of the analysis of the accounting balance - the final conclusions of the results of the analysis issue and clearance. In the final conclusion, the property status of companies and firms, their sources, economic and financial potential, company and firm solvency, liquidity, financial strength and stability are diagnosed. On the basis of this diagnosis - giving an economic rating of companies and firms possible Economic and financial based on the balance sheet of companies and firms. The methodological criteria for determining the rating can include the following:

- the economic and financial potential of the company or firm;
- the real value of the property fund, assets and liabilities of the company or firm;
- solvency of the company or firm;
- financial strength and stability of the company or firm;
- mobility (liquidity) of company or firm funds⁴.

Formalization of the results of the analysis in a methodical order, conclusions in a clear and fluent language to be explained, to make the achievements and shortcomings reasonable, appropriate and objective, to occur and periodicity of changes, optimal company management at the end of the analysis it is necessary to pay attention to defining strategies (measures, activities).

In conclusion, it should be noted that the role of analysis in achieving financial and economic well-being in the system of each country is considered great. Financial analysis of each enterprise, firm, and other individual organizations is analyzed quarterly, annually, and daily.



⁴ Financial analysis-2-Textbook-M-Rakhimov-T2003.

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