



 Research Article

CONCEPT, NATURE AND TYPES OF FINANCIAL STABILITY

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ABSTRACT

Financial status is an economic category that reflects the composition of equity capital and debt capital and the composition of its placement among different properties, as well as the efficiency of their use, solvency, financial stability and investment attractiveness of the enterprise. Self-development.

KEYWORDS

Financial stability, capital, position, total costs, financial independence.

INTRODUCTION

According to A.D. Sheremeta and E.V. Negasheva, financial stability is one of the most important features of the company's financial situation [1. 112-116]. This idea was especially clear in the company's classification's financial condition

according to the level of financial stability. They identified four types of the financial situation of the enterprise: absolute stability of the financial situation, normal stability of the financial situation, unstable financial situation, crisis



financial situation. We should note that in order to assess the financial stability of the enterprise, they recommended a certain, unique system of indicators, which does not include indicators of solvency, liquidity, property placement and rationality of use.

A position that is almost completely consistent with the above authors was taken by O.V. Efimova, although she does not define the essence of financial condition and financial stability, it is evident from the content of her work.

G.V. took a slightly different position on revealing the nature of the financial situation of the enterprise, its financial stability and the relationship between them. Savitskaya [2. 335]. On the one hand, describing the concepts of financial condition and financial stability of the enterprise, he correctly writes: the financial condition of the enterprise is an economic category that reflects the state of the capital in the process of circulation and the financial capabilities of the capital. business entity for self-development at the appointed time. In addition, he emphasizes the continuous process of capital circulation in the course of economic activity, the composition of funds and sources of their formation, the availability and need of financial

resources, and as a result, the financial status of capital. enterprise changes, its appearance is solvency. Then G.V. According to Savitskaya, the financial situation can be stable, unstable (pre-crisis) and crisis. At the same time, he emphasizes that the financial condition, stability, and stability of the enterprise depend on the results of its production and commercial activities [2. 337]. The established approach, in essence, corresponds to the characteristics of the financial situation, its stability and the relationship between them given by the above-mentioned authors.

G.V. Savitskaya recognizes the ambiguity in distinguishing between concepts such as "financial conditions" and "financial stability." This conclusion is confirmed by the following definition of the financial stability of the enterprise, which was given by G.V. Savitskaya: "The financial stability of the enterprise is the ability of the business entity to operate and develop in a changing internal and external environment, to maintain a balance of its assets and liabilities, which guarantees its constant solvency and investment attractiveness. Acceptable risk level." Further: "a stable financial position is not a happy accident, but the result of

competent, skillful management of the entire set of factors that determine the results of the economic activity of the enterprise." With this approach, the concept of "financial stability" includes a wider content than the concept of "financial condition of the enterprise".

We should note that several academic economists, for example, M.N. Kreinina, V.V. Kovalyov share A.D.'s approach. Sheremeta, M.I. Bakanova and N.M. Negashev reveals the essence of the financial situation of the enterprise, its stability and the relationship between them [3. 228]. For example, M.N. Kreinina gives a description of the financial situation that is close to the position of M.I. Bakanova and A.D. Sheremet emphasized that the financial condition is the most important feature of the economic activity of the enterprise, which determines the competitiveness of the enterprise, the potential of business cooperation, and it is used to evaluate the economic interests of the enterprise. and his partners in financial and other relations are guaranteed. M.N. Kreinina emphasizes that a stable financial condition is formed during the entire production and economic activity of the enterprise. At the same time, it allows us to confuse the nature of the financial situation and

the methods of its analysis, defining the financial situation as "a system of indicators reflecting the availability, location and use of financial resources" [4. 75].

A more consistent position on this issue was given by V.V. Kovalev. In his opinion, the financial condition is characterized by the property and financial condition of the enterprise, the results of its economic activity, as well as the possibilities of future development. At the same time, he considers the assessment of the financial stability of the enterprise to be an integral part of the assessment of the financial condition of the enterprise. Based on the above, in the opinion of the above authors, the financial condition is a broader concept than financial stability, and financial stability is one of the components of the characteristics of the financial condition of the enterprise. Unfortunately, it should be noted that not all authors take such a clear position on these issues.

For example, M.S. Abryutin and A.V. Grachev reduce the essence of financial stability to the solvency of the enterprise and do not study the relationship between financial condition and financial stability. According to them, "the financial stability of the enterprise is a reliably



guaranteed solvency, randomness of market conditions and independence from the actions of partners" [5. 189].

V.V. Bocharov narrows the scope of issues and in his work considers the analysis of the financial situation and the analysis of financial stability as two independent and independent directions in the study of the financial activity of the enterprise. It reduces the analysis of the financial situation to an express analysis based on reading, studying the structure and dynamics of financial statements, and analyzing the value of the property and funds invested in it. The assessment of financial stability includes the analysis of the solvency, liquidity and safety of the enterprise with its working capital.

Thus, A.D. Sheremet, E.V. Negashev, R.S. Sayfulin and V.V. Kovalev divide financial stability into four types depending on the ratio of the total value of the reserves and expenses and the sources of their formation. A.D. Sheremet, E.V. Negashev and R.S. Saifulin identify the following four types of financial stability:

1) the absolute stability of the financial situation, which is characterized by the excess of the sources of the formation of own working capital

over the number of reserves and expenses and is very rare in economic practice;

2) normal stability of the financial situation, in which the number of reserves and expenses are equal to the sources of their formation, and the solvency of the enterprise is guaranteed;

2.1) an unstable financial situation, in which it is possible to break the solvency of the enterprise and provide reserves and expenses at the expense of its working capital, but it is possible to restore the balance by attracting short-term loans and debt funds. We consider financial instability normal if the number of resources involved to replenish reserves and the number of expenses as short-term loans and debts do not exceed the total value of inventories and finished products;

2.2) a financial crisis, when the enterprise is on the verge of bankruptcy and the number of reserves and expenses are not covered by the entire amount of sources of their provision. In addition, cash, short-term financial investments and accounts receivable do not cover its accounts payable and non-performing loans.

Four types of current financial stability V.V. Kovalev:

1) absolute financial stability characterized by inequality, according to which the excess of one's own working capital exceeds reserves and expenses;

2) normal financial stability using own and borrowed sources of funds to cover reserves and expenses;

2.1) an unstable financial situation in which own working capital is insufficient to cover the number of reserves and expenses. Accordingly, the enterprise is forced to attract sources of additional coverage that are not sufficiently justified;

2.2) a critical financial situation, in which the situation resembles an unstable financial situation, but is aggravated by the presence of untimely loans and credits from the enterprise, as well as overdue receivables and payables.

Based on the above considerations, the nature of financial stability and the task of analysis, in our opinion, can be defined as follows.

The financial stability of the enterprise is characterized by its financial independence, as well as its working capital, inventory and costs,

cash and receivables, and the level of equity and bank loans within the norm.

The purpose of financial stability analysis is to assess the degree of independence from borrowed financing sources.

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