



## METHODS OF REGULATING THE USE OF WORKING FUNDS IN INDUSTRIAL ENTERPRISES

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**Abstract.** The theoretical and methodological foundations of the standardization of the use of working capital in industrial enterprises are explained in a scientifically studied manner. Methods of normalizing the use of working capital in industrial enterprises have been researched and recommendations have been made with a scientific approach to increase the efficiency of working capital use in industrial enterprises.

**Key words:** working capital, cash, normalization of working capital, efficiency of working capital.

Consistently continuing the reforms in the sustainable development of industrial enterprises, which are one of the leading sectors of the country's economy, is one of the urgent tasks of today. From this point of view, the urgent tasks of adhering to the regulation methods and legal documents regarding the established regulation in order to attract large amounts of funds to industrial enterprises, to effectively use the existing working capital, are waiting for their solution.

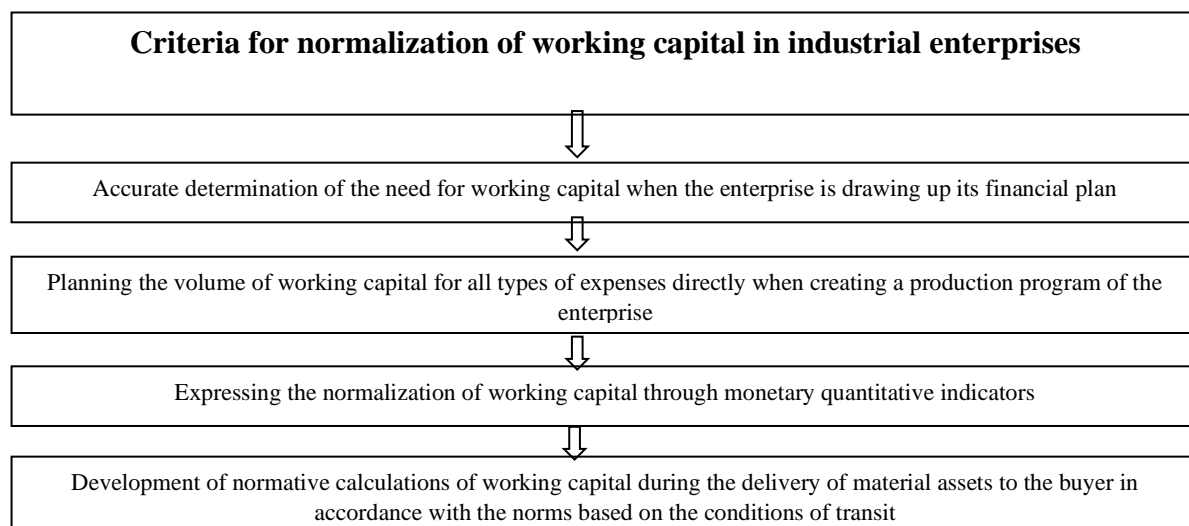
As one of the mechanisms to achieve effective management of working capital in the effective use of working capital in industrial enterprises, it is appropriate to spend working capital correctly and comply with regulatory requirements to ensure the continuity of the process of production and sale of products. In this regard, it is necessary to correctly distribute raw materials and funds suitable for minimum production at all stages of the working capital cycle in industrial enterprises. As a result of these defined tasks, first of all, as a result of normalization of material resources reserves and expenses, the enterprise is ensured to operate efficiently.

In determining and regulating the demand for working capital in the activities of industrial enterprises, the enterprise determines the norms for working capital based on its internal capabilities. The main goal of normalization of working capital in the enterprise is the effective use of funds directly attracted to the enterprise in the process of long-term production and circulation<sup>1</sup>.

The norms of working capital in industrial enterprises consist of following normative procedures in the production activities of the enterprise and forming the volume of goods and material reserves necessary for production.

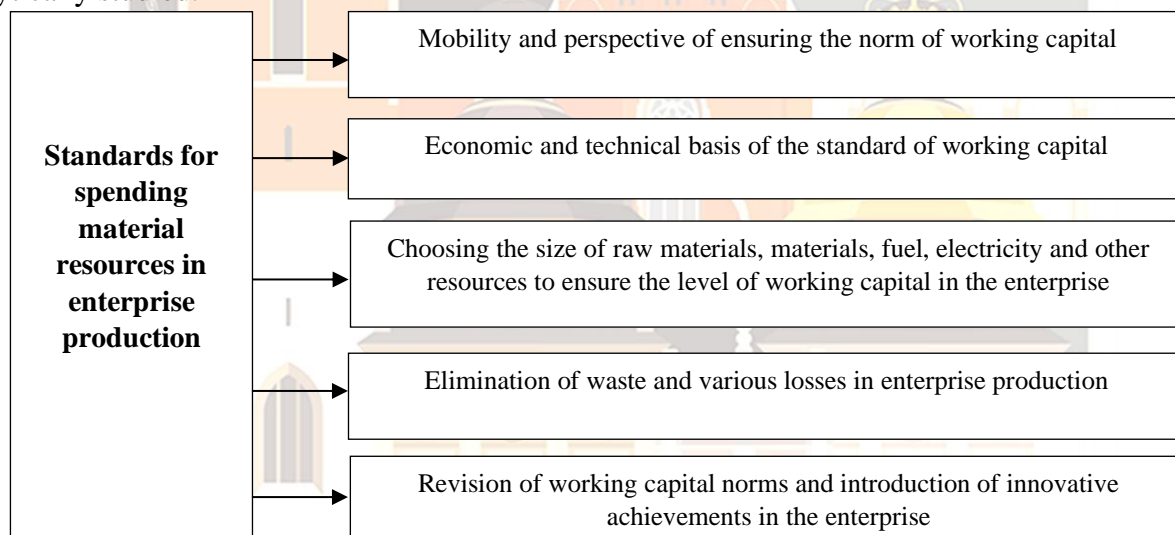
The criteria for normalization of working capital in direct industrial enterprises mainly include the following: clearly defining the need for working capital when the enterprise is drawing up its financial plan, all kinds of directly when drawing up the enterprise's production program planning the amount of working capital for expenses, expressing the normalization of working capital through quantitative indicators in money, and developing normative calculations of working capital when delivering material assets to the buyer in accordance with the norms based on transit conditions exit and adherence to these standards are important issues (Figure 1).

<sup>1</sup> Taspanova A.K. Improving the practice of financing working capital of enterprises. Ph.D. in Economics (PhD) thesis abstract. - T.: 2019. p. 50.



**Figure 1. The main criteria for normalization of working capital in industrial enterprises <sup>2</sup>**

The following methods of calculating working capital standards are used in industrial enterprises: analytical method, coefficient method, direct calculation methods. Analytical (analytical) method of calculating the ratio of working capital includes direct calculations of working capital in the amount of actual average balances. In this method, the factors that directly affect the attraction of working capital in the enterprise and the factors that affect the activity of the enterprise are analytically studied.



**Figure 2. Standards for spending material resources in enterprise production <sup>3</sup>**

The coefficient method for calculating the rate of working capital is determined based on these standards, taking into account changes in the plan of production and sales of products by the

<sup>2</sup> It was compiled by the author based on the study of regulatory legal documents related to the field.

<sup>3</sup> It was compiled by the author based on the study of relevant literature.



enterprise, as well as changes in the circulation of working capital. In normalizing working capital in the enterprise, it is required to draw up norms for spending material resources directly in the production of the enterprise (Figure 2).

The measures of normalization of working capital in enterprises are directly focused on the resolution of tasks related to the normalization of production reserves, as well as the optimal size of unfinished production, the balance of finished products, and the determination of the costs of the next period.

The norms for the use of working capital in sectors and sectors of the economy are reflected in the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 108 "On the norms of working capital of ministries, departments and enterprises" according to it, 14 days to 300 days of circulation of working capital are determined<sup>4</sup>.

Based on this, it is reasonable to say that it is appropriate to update and change the norms established in this decision, based on the production and service characteristics of the sectors and industries.

The criteria for normalization of working capital for industrial enterprises are as follows:

- on the unfinished production facilities of the enterprise;
- on production reserves of the enterprise;
- on semi-finished products produced by the enterprise;
- on the stock of finished products stored in the warehouse;
- on future costs and others.

Production reserves at the enterprise are mainly divided into current reserves, insurance (guarantee) reserves, preparatory reserves and seasonal reserves. Also, the current reserve consists of the amount of reserve necessary to provide production with material resources between the delivery of various raw materials and materials to the enterprise.

In conclusion, in order to improve the efficiency of the use of working capital in industrial enterprises and to follow the norms of the use of working capital, it is necessary to pay attention to the following:

- compliance with the standards of expendable working capital;
- formation of consumption of raw materials and material resources supplied to the enterprise based on production demand;
- constant monitoring of compliance with the terms of the contract when selling goods produced by the enterprise to customers;
- participation in transactions with solvent enterprises;
- taking measures to reduce the receivables;
- effective management of working capital movement in the enterprise;
- control of compliance with the requirements of criteria established in the formation of production reserves in the effective use of working capital in the enterprise;
- to study ways of attracting foreign investors to increase the volume of working capital;

<sup>4</sup> Resolution No. 108 of the Cabinet of Ministers of the Republic of Uzbekistan "On regulations of working capital of ministries, departments and enterprises". 25.02.1997. <https://lex.uz/docs/475379>





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