

EFFECTIVE USE OF ASSETS IN THE CORPORATE GOVERNANCE SYSTEM

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Abstract

This article is devoted to improving the methodological tools in choosing the effective use of enterprise assets in the corporate governance system.

Keywords: assets, corporate governance, market value, efficiency, enterprise, market value.

Introduction

Uzbekistan, which has chosen the Independent path of development, continues reforms in all areas of the economy. Thus, the purpose of the changes made to the Law of the Republic of Uzbekistan “On Investments and Investment Activities” is to regulate relations in the field of investments and investment activities carried out by foreign and domestic investors.

Decree of the President of the Republic of Uzbekistan dated January 25, 2023 No. UP-14 “On priority organizational measures for the effective establishment of the activities of republican executive authorities” approved the priority areas of activity of the Agency for Management of State Assets, a plan of measures for the reorganization of organizations of the Agency for Management of State Assets, and also a “Road Map” to deepen reforms in the field of management of public assets and transformation of the system’s activities. A new system of informing the public about state assets, their management and privatization has been introduced.

Starting from September 1, 2023, auctions are held between commercial banks to place on deposit the free funds of enterprises with state participation in the order of increasing percentage, taking into account such conditions as the adequacy of bank capital, the ratio of bank capital to its liabilities, and the liquidity ratio. The driving force of any state is the economy. But you also need to be able to manage the economy. Proper management is a guarantee of a large annual profit of the enterprise on which its further development depends. One of the factors in the development of an enterprise is assets.

Many articles in the country and abroad are devoted to the issues of choosing an effective option for using assets (hereinafter referred to as EUOA) of an enterprise. The choice of the optimal EV leads to the maximum cost of the facility and creates the maximum level of profit for the owner of the enterprise's assets due to their optimal operation, ensuring production and social needs. It is worth paying special attention to EUOA in the sustainable development of property and, above all, taking into account social efficiency, and not just commercial attractiveness in the economy and management of the enterprise of the owners.



In general, sustainable value can be understood not only as a reflection of economic (reflecting the value of property) problems, but also in a broader concept, including issues of sustainable development (social, political, environmental areas) at the same level. It should be noted that determining the EUOA of an enterprise for the object of assessment may be complicated by the lack of sufficient sources of open information and a systematically constructed methodological tool. Thus, the need to develop methodological tools in choosing the effective use of enterprise assets in the corporate governance system is confirmed, on the one hand, by the interest of owners in implementing the choice of EUOA in the context of sustainable development and creating “sustainable value” of the enterprise, and on the other hand, by the imperfection of existing methods used to evaluate various assets in the corporate governance system.

Recommendations should be developed for assessing the basic components of the analysis, proposing a unified algorithm for selecting the enterprise's EVs. Methods for assessing maximum productivity include the “highest and best use” of EUOA, by which we mean a qualitative analysis with an emphasis on social significance. Social efficiency (similar to best use) offers a stage of assessing commercial efficiency where, from socially suitable options, the “effective” one that brings maximum profitability is selected [4, 5]. Consequently, when choosing an enterprise's EV, both the choice of functions and the quantitative component of the overall result are justified. The owners' interest in increasing equity capital is obvious.

The concept of managing change (development) has replaced the previous concept of maximizing current profits, focusing management on increasing the market value of the company, which allows owners not only to receive dividends, but also to increase the market value of shares.

This concept is especially relevant for high-tech industries (information and computer technologies, electronics, instrument making, communications, precision engineering, microbiology, and other high-tech technologies).

It should be noted that owners of minority shares are aimed at maximizing dividends and increasing the market value of shares.

Naturally, controlling shareholders have access to the company's cash flow and are interested in maximizing the value of the business's equity.

The company becomes attractive to owners at the moment when value increases after improvement, renewal of assets, and implementation of technological and organizational improvements.

Thus, the correct choice of EUOA of an enterprise leads to the highest possible business value. This option involves optimizing cash flows, reducing property maintenance costs, considering options for replacing outdated equipment and offering options for using non-core real estate assets.

To achieve the above goals, the following steps should be taken:

- 1) Carrying out measures to optimize cash flows: to increase the upward flow: – reducing the terms of trade credit to buyers;
 - introduction of prepayment for products with high demand;
 - providing discounts for products with low demand;
 - use of short-term financial loans;



- to reduce the outgoing flow: – increasing the terms of trade credit for suppliers;
- restructuring of multiple short-term loans by converting them into loans with a long term and a reduced rate;
 - cost savings.
- 2) Measures to reduce costs due to rapid growth of costs: – reduction of administrative and overhead costs;
- introduction of organizational technologies that allow reducing costs per unit of product;
 - cost savings by optimizing relationships with suppliers.
- 3) Measures to replace outdated equipment from possible strategic approaches to property management: - in a crisis - passive preservation of property (reducing production volumes, reducing costs, simplifying the assortment, conserving fixed assets, releasing property for rent);
- in the pre-crisis state – active preservation of property (partial updating of the assortment, search for new niches in the market, improvement of the management system and production technologies, modernization of the technological equipment park).
- 4) Particular attention should be paid to investment (non-core) assets that are not used by the enterprise in core business processes.

The following decisions contribute to increasing the value of the company: sale at market value, allocation of premises for rent, transfer to trust management, disposal of emergency buildings, release of land (use for business, sale, lease).

Therefore, when evaluating a business and choosing an effective option, special attention must be paid to the possibilities of optimizing cash flows and the use of non-core real estate. The effect of the analysis carried out in order to select an effective option for using the assets of the enterprise should be considered an increase in the value of the enterprise's assets with risks acceptable to the investor. In conclusion, it should be noted that when choosing an effective option for using investment assets, it is necessary to determine the optimal phasing of improvement for legally permitted and physically possible options, substantiate in detail cash flows, their changes and the rate of return on capital, take into account the uncertainty of the initial data and assess the relative error of the expected value. When evaluating a business, choosing an effective option, special attention should be paid to the possibilities of optimizing cash flows and the use of non-core real estate. Thus, the choice of an effective option for using the enterprise's assets implies an increase in the value of the enterprise's assets at risks acceptable to the investor.

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