

# Issues of Effective Financing of The Activities of Small Business Subjects

**Po'latov Abdullo<sup>1</sup>**

Teacher of the "Economics" department,

<sup>1</sup>Namangan Institute of Engineering and Technology.

## Abstract

In this article, issues of establishment and development of small business entities, as well as comprehensive analysis of factors influencing the development of small business entities, wide involvement of foreign investment funds in the further expansion of the activities of business entities. issues, in addition, all-around support of small business entities by the state and the ways to achieve the creation of vacant jobs through this have been highlighted.

**Keywords:** small business entities, investments, investors, local production, labor resources, reports, financial stability, export potential, effective management, foreign experience.

## INTRODUCTION

It should be noted that the economy of Uzbekistan has been developing rapidly in recent years. This is, of course, the result of the opportunities created for entrepreneurship in our country. The financial stability of our country creates a basis for attracting foreign investment funds to the economy of our country in the future. Therefore, every investor aims to invest his capital in a financially stable country. In turn, this fully guarantees the return of the capital.

The development of the production and service sectors in our republic based on the possibilities of the regions is gaining great importance today. It should be noted that in order to reduce poverty in our country, great attention is being paid to the rapid development of small business and private entrepreneurship, as well as to increasing the establishment of small business entities in our country and developing their activities. In particular, the production and service sector is developing widely in our country. Creating additional jobs through the development of these industries in our republic is gaining importance.

The issue of developing entrepreneurship and ensuring employment of the population through it, increasing their income is one of the issues that is under the constant attention of our government. In order to implement the above goals, government decisions, presidential decrees and decisions aimed at the development of entrepreneurship are adopted every year in our republic.

**Literature analysis.** Development of activities of small business entities, their organization, proper management, identification of sources of income, control of expenses are the most important issues today, and researches are being conducted. A.Z.Avlokulov, A.K.Ibragimov, A.A.Karimov, M.B.Kalonov, U.U.Kostayev, B.Yu.Masudov, M.K.Pardayev, A.X.Pardayev, N.K.Rizayev, B.A.Khasanov, O.O.Sobirov and others' scientific researches can be included.

The scientific researches of these authors are of significant scientific and practical importance, and they have achieved effective results in aspects such as the organization of economic subjects in our republic and the effective organization and management of their management accounts.

**Material and methods.** It is necessary to use the most effective research methods to find solutions to the problems that are waiting for their solution today. In particular, methods such as observation, generalization, grouping, comparative analysis, questionnaire survey, expert evaluation of results, economic analysis and economic-statistical methods are effective in conducting research.

**Analysis and results.** Wide opportunities are being created in our country for the development of business entities. In particular, state programs and long-term strategies for further development of the industry are being developed in our Republic. Decision of the President of the Republic of Uzbekistan No. PF-5614 of January 8, 2019 “On additional measures to further develop the economy and increase the effectiveness of economic policy” and the President of the Republic of Uzbekistan 2022-2026 In the Decree on the Development Strategy for the Development of the Republic of Uzbekistan for 2018, the goals of developing the activities of business entities and, as a result, creating additional jobs are defined. It should be noted that these decisions and decrees are important because they are aimed at supporting small business and entrepreneurship, which are one of the main links of our country's economy. In the effective conduct of research on the issues raised in this article, comparative analysis, expert evaluation of results, and economic analysis methods were widely used.

The organization of their activities in the production and service sectors by small business entities is increasing significantly. This is directly related to the opportunities and conditions created in the regions, the sufficiency of the labor force, and the solving of logistics issues. New production activities are not always profitable. There are several factors that affect the development of small business entities. These factors can be divided into internal and external factors. In recent years, we can see that the number of business entities has doubled as a result of the conditions and opportunities created for the establishment of small business entities. But it should be noted that not all newly established enterprises are able to organize their activities effectively. In this regard, there are positive and negative factors affecting the activity.

Among the internal factors, we can cite as an example the lack of raw materials for the organization of production, the increase in tax debts, and the lack of financial resources for financing production. All these factors are due to the lack of proper organization of management and problems related to cost management.

Among the external factors, it is possible to include such things as the increase in prices due to the purchase of imported raw materials from abroad, the emergence of risks that have an impact on various economic and other production activities on a global scale. An example of this factor is the

global shortage of resources, various pandemics and their negative consequences. These factors have a significant impact on the financial situation of enterprises. It can even bring them to the brink of bankruptcy. That is why it is important to develop quick measures to eliminate these factors.

**Conclusion.** It can be concluded that in order to develop the activities of small business entities, to further develop the production and service sector, first of all, it is important to properly organize management, control costs, use existing resources wisely, and find additional financial resources. It is considered Determining the factors affecting the development of small business entities and finding a systematic solution to them is one of the urgent issues facing our government and business entities today.

Financing small business entities, directing capital to them, and finding new financial resources is one of the most difficult issues today. It is effective to use the following methods of financing the activities of enterprises, which are:

- Organization and development of activities at the expense of attracting foreign and local investment funds;
- Further development of production at the expense of rational use of unused internal resources, stabilization of prices;
- Reducing the cost of the product and stabilizing it due to the rational use of resources;

These financial resources created the basis for the stable development of the enterprises in the future. We believe that it is appropriate to carry out the following tasks in the further development of the activities of small business entities:

- Support by providing tax benefits to enterprises that have just started their activity;
- Attracting preferential loans from commercial banks in order to further expand existing production;
- Reducing the cost of products through full localization of production;
- Ensuring employment of the population by creating additional jobs by attracting foreign investment funds.

Fulfillment of these tasks will ensure the financial stability of enterprises in the future, create an opportunity to produce relatively cheap and high-quality products, expand enterprises and modernize fixed assets at the expense of foreign investment funds. As a result, the labor productivity of employees increases and the volume of production increases, providing modern equipment ensures that the manufactured products are of high quality and cheap.

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