

SCIENTIFIC BASIS OF FINANCIAL STATEMENT ANALYSIS

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Annotation. This article presents a statement of opinions on the scientific basis of financial statement analysis in the context of increasing efficiency in enterprises, increasing the need for information in the search for unused opportunities, sources of financial information and their analysis.

Keywords: efficiency, investor, information, user, account, report, analysis, science.

INTRODUCTION. It is advisable to study and analyze the financial and economic activities of enterprises in order to increase the positive efficiency of production. Because, in order to increase the positive efficiency of production, the implementation of the most modern innovations of scientific and technical progress into practice, the radical improvement of the management of economic entities in a new modern and competitive economy, the formation of its qualitatively new structure, does not automatically create efficiency.

First of all, it is advisable to introduce new techniques and technologies into production, ensure competitiveness by creating qualitatively updated products, and make structural changes. Because these processes are an important requirement for ensuring the productivity and efficiency of economic entities in their financial and economic activities, and positive financial performance. From this point of view, regular analysis of financial statements is an objective necessity from a scientific and methodological point of view in studying the factors related to the implementation and results of these requirements.

LITERATURE REVIEW. Our analysis shows that in international financial analysis, investors are mainly interested not in the financial statements themselves, but in the notes, clarifications, explanations, and descriptions of changes during and after the reporting period. According to the Resolution of the President of the Republic of Uzbekistan dated February 24, 2020 No. PO-4611, the organization of the procedures for the preparation and presentation of financial statements based on international standards is a requirement of the time, and the subject of financial statement analysis is mainly financial indicators, and the object is economic entities. Because the activities of economic entities are a structure based on the principles of voluntariness and self-interest in their establishment, and are based on analysis in management. In this case, bottom-up, consistency in cause-and-effect relationships requires the establishment of financial statement analysis. Because, the main task of financial statements is to draw conclusions on issues of investment and financing, to help users assess the future movement of funds, to provide information that truthfully and objectively reflects changes in property, material, labor and financial resources.

ANALYSIS AND RESULT. It is through the analysis of financial statements that users of reporting indicators receive the information they need. From this point of view, today in our national economy, financial statement analysis must be formed as an independent science.

Considering that each science arises due to objective necessity and solves the tasks set before it, providing clear solutions to questions in the surrounding existence, that is, in human society, it can be seen that the emergence of the elements of the formation of the science of financial statement analysis has been going on for more than a few centuries. In particular, it can be seen that the elements of science, scientific categories and concepts were formed in the early stages of human society, that the primary views were expressed in the teachings of Confucianism and Aristotle, and that later the solutions of macroeconomic and microeconomic analysis were used in economic theory. Also, Figure

1 shows the history of the names of the science at the stages of development, and it is worth noting that initially the science of analysis was dedicated to the 1st form of financial reporting, the "Accounting Balance Sheet", and was called balance science. Therefore, today it can be said that the formation of this science occurred as a result of objectivity, socio-economic necessity. Therefore, in the formation of the science called the analysis of financial statements, the current development of accounting, auditing sciences and their transition to international standards are of particular importance. We consider it appropriate to study the historical naming and development stages of the science presented in existing theoretical sources by dividing them into groups according to the following contents: the focus on evaluating and interpreting initial reports, the scope of the issues studied, the initial practice of adapting the national accounting system to international standards, compatibility with the system of general and specialized disciplines of developed countries, naming and financial decision-making based on the practice of developed countries, financial assessment, and the study and teaching of financial reporting indicators in financial cooperation, that is, ensuring the harmony of theory and practice.

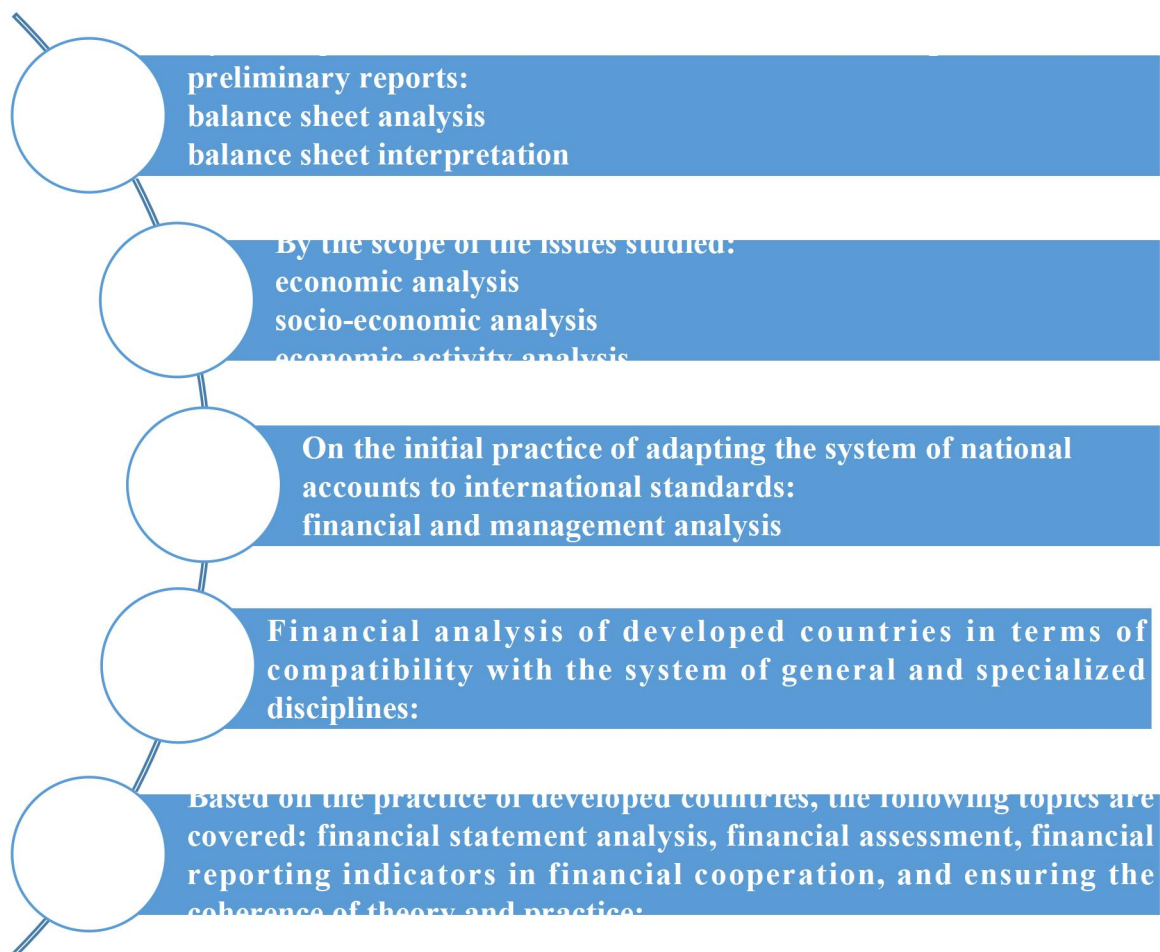


Figure 1. Formation and naming of the discipline of financial statement analysis at the stages of development and progress

From Figure 1 above, it can be seen that the discipline has its own history of development, and it can be noted that in economic development, financial statement analysis is not only an exact science, but also a methodological basis for general professional disciplines such as accounting and auditing,

financial management, macroeconomics and microeconomics. For this reason, as a discipline, "Financial Statement Analysis" must have its own subject and objectives, principles and methodological foundations.

From the analysis of theoretical sources, it can be seen that definitions have been given to the concepts of financial reporting, financial analysis, economic analysis and their subject as a discipline. However, the subject of financial statement analysis as a discipline has not been defined.

From this point of view, based on the results of our studies and research, we propose to improve the definition of its subject as a discipline as follows.

The subject of financial statement analysis is the continuous study of the financial and economic activities of economic entities of various forms of ownership, their efficiency and effectiveness based on the indicators expressed in the forms of financial statements, in a coherent and interrelated manner, depending on the factors. Because, in today's modern economy, continuous implementation of financial statement analysis, assessment of any periodic changes in the interests of investors, financial partners and other interested entities, is one of the necessary conditions.

The object of the discipline of financial statement analysis is the economic entity and its financial and economic activities. Because, financial reporting itself is a regulated, systematized expression of the financial condition and financial results of the entities' financial and economic activities. The purpose of financial statement analysis is to scientifically, theoretically and methodologically study, diagnose and evaluate information about economic resources, financial results, money and private funds, which is considered useful for all users in making financial decisions. The content of financial statement analysis can be expressed through a description of financial and economic activity. Financial and economic activity is a complex financial and economic structure, in which it is possible to see the purposeful and comprehensive activity of the entity in terms of the emergence of all financial and economic relations occurring in its main, investment and financial activities, the movement, condition and results of their use.

CONCLUSION. Therefore, the analysis of financial statements is aimed at identifying ways for economic entities to increase their financial resources in the future, their ability to repay existing financial obligations in a timely manner, their need for external financial resources, the effective distribution and use of funds and all income, the diagnosis of changes in existing economic resources, and the effective functioning of the entity's future financial condition. In addition, the analysis of financial statements provides the opportunity, using the reporting indicators of the entity, not only to objectively assess the effectiveness of financial activities, profits and losses, cash inflows and outflows, and financial condition, but also to identify financial shortcomings and errors made, and to develop measures for their future improvement as a result of their elimination. The main principles of financial statement analysis as a science include the principles of systematicity, objectivity, independence, comparability, continuity, monetary valuation, and the primacy of content over form. It is advisable to conduct financial statement analysis in practice in the following sequential stages:

1. Clarification of the goals and objectives of financial statement analysis and drawing up a general plan;
2. Formation of a data bank for financial statement analysis and their processing;
3. Implementation of financial statement analysis using special methods;
4. Generalization and formalization of results;
5. Development of management decisions and recommendations for practice;
6. Implementation of the recommended effective management decisions into practice.

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