ACADEMICIA
An International Multidisciplinary Research Journal
(Double Blind Refereed & Peer Reviewed Journal)

DOI: 10.5958/2249-7137.2021.00656.X

ANALYSIS OF THE STATUS, MOVEMENT AND LEVEL OF FUNDING OF FUND FUNDS IN FOREIGN ENTERPRISES

Ogulhan Axunova*; Odina Teshabaeva; Asilbek Yulchiev*****

*Senior Lecturer,
Department of Economics and service,
Ferghana State University, UZBEKISTAN

**Lecturer
Department of Economics and service,
Ferghana State University, UZBEKISTAN
Email id: Odina_0505@mail.ru

***Lecturer
Department of Economics and service,
Ferghana State University, UZBEKISTAN

ABSTRACT

The economic description of the foreign textile enterprise is given in the analysis of a condition of use of the basic production capacities and the analysis of a condition, movement of a fixed asset in the foreign enterprise "POSCO International Textile" and level of fixed assets of the enterprise. The level of formation and effective use of working capital in the enterprise was assessed. The impact of the efficiency of fixed assets and working capital on foreign enterprises on the competitiveness of the industry, the improvement of the process of commissioning and use of fixed assets at the enterprise and the effective use of working capital of the enterprise were discussed.

KEYWORDS: *Foreign Enterprises, Textile Enterprise, Fixed Assets, Working Capital, Intangible Assets, Capital Investments.*

INTRODUCTION

In the context of economic liberalization, fixed assets play a key role in all factors that increase production efficiency and ensure economic growth.

On the scale of the whole national economy, fixed assets constitute the national wealth of the country. The term fixed assets of an enterprise can also be used in practice and in the literature with the term “fixed assets” or “fixed capital”.

In the process of production, the workers of the enterprise use the means of labor to influence the objects of labor and turn them into finished products.

The main feature of enterprises is the availability of property belonging to them. This is what determines the material and technical capabilities of enterprises and ensures their economic freedom and future. No enterprise can carry out its economic activities without the use of certain property.

Enterprise property can be divided into current assets and long-term assets. This takes into account not only the social appearance of the enterprise property, but also the role, importance and impact on the economy of the enterprise in the production process.

Long-term assets account for 65-85% of the assets of large and medium-sized enterprises. Structure of long-term assets [1]:

1. Fixed assets

2. Intangible assets

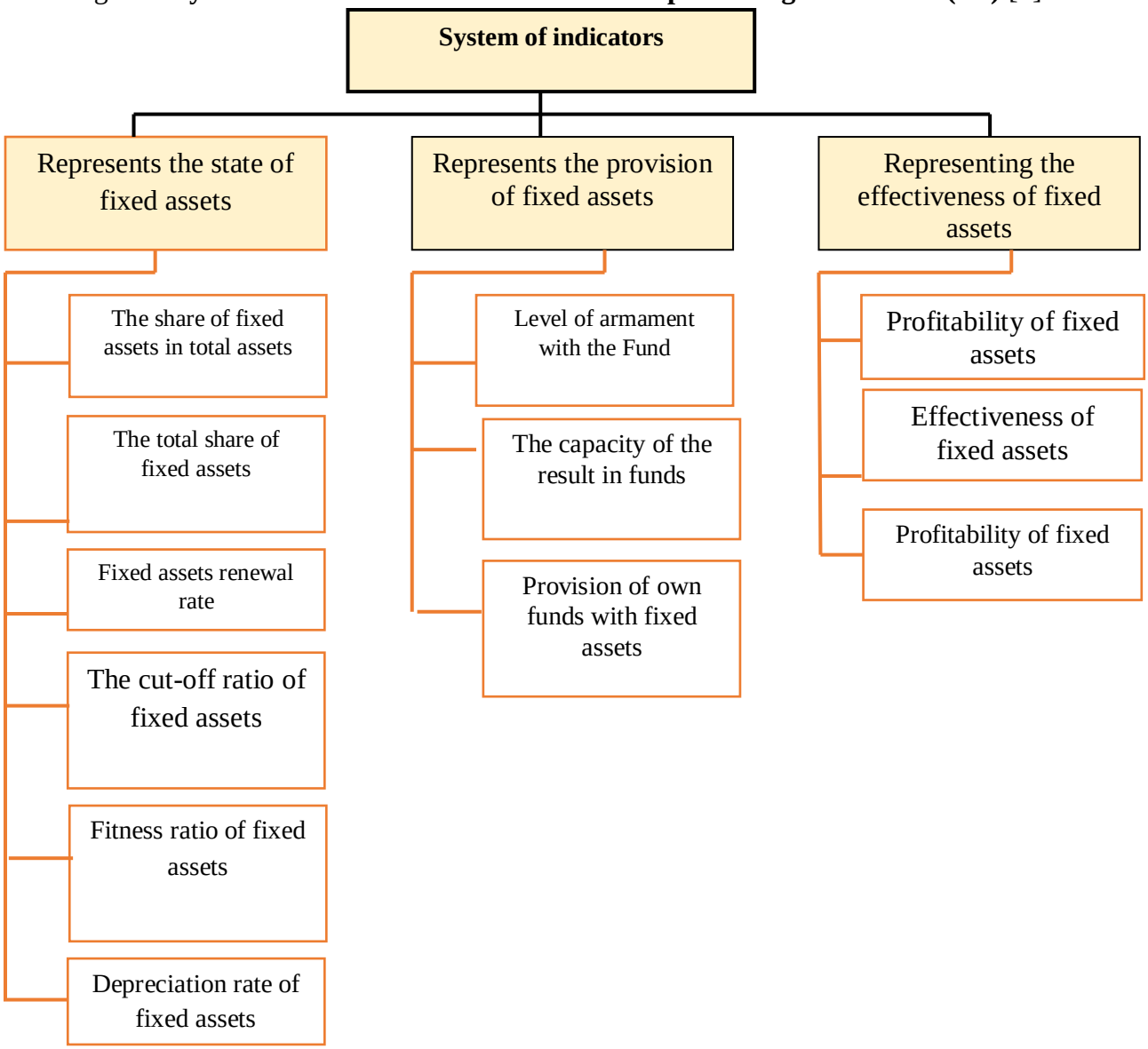
3. Capital investments

4. Long-term financial investments

Long-term assets are involved in the economic activities of the enterprise for a long period of time. This is due to the duration of the depreciation process and the slowness of the rotation speed. Therefore, they are called long-term or slow-moving assets. They are also called immobilization funds.

Fixed assets (fixed assets) are not only means of labor, but also the material wealth of enterprises. It has value, so it can be mortgaged as property. In addition, if the company does not have enough funds to repay the debt at the time of liquidation, it is possible to repay the debt by selling this real estate. The main means is the wealth of the property owner. The state and the enterprise are interested in their effective use. Because the financial result of the enterprise increases with the effective result. He pays tax on income.

Figure 1 **System and classification of indicators representing fixed assets (Av)** [2]



We begin the analysis of fixed assets at the foreign company POSCO International Textile by studying the composition, structure and dynamics of fixed assets (fixed assets). Changes in the composition of fixed assets occur throughout the year. Therefore, it is necessary to analyze in detail the structural changes in their composition.[5]

Indicators representing fixed assets have a certain place among the indicators of economic potential. Significant funds of business entities will be involved in these funds. The return of these funds will be made through the efficient use of fixed assets [2].

Indicators representing fixed assets are divided into three groups: indicators of the state of fixed assets, indicators of the availability of fixed assets, indicators of the efficiency of fixed assets. The classification of this group of indicators is shown in the following diagram (Figure 1).

The ways to determine the indicators representing the condition of fixed assets are given in the table below (Table 1).

TABLE 1 INDICATORS OF THE CONDITION OF FIXED ASSETS [2]

	ame of indicators	**What does it mean (content)**	**Determination formula**
1.	The share of fixed assets in total assets	Indicates the percentage of fixed assets in total funds	Av / B
2.	The structural structure of the active part of fixed assets (Avf)	Represents the percentage of the active part of fixed assets in the total amount of fixed assets	Avf / Av
3.	Renewal ratio of fixed assets	This represents the share of new fixed assets in total fixed assets at the end of the year	Av.yang/ Av.b.q.yo
4.	Depreciation rate of fixed assets	Represents how much of an item of property, plant and equipment is written off	Av.chiq./ Av.b.q.yb
5.	Fitness ratio of fixed assets	Represents how much of the value of total fixed assets is in residual value	(Av-Av.esk.) / Av
6.	Depreciation rate of fixed assets	Indicates how much of the total value of fixed assets is equal to the amount of depreciation	Av.es / Av.yb

We begin the analysis by finding the coefficients shown in the table, using a table based on the balance sheet of the foreign company POSCO International Textile (Table 2).

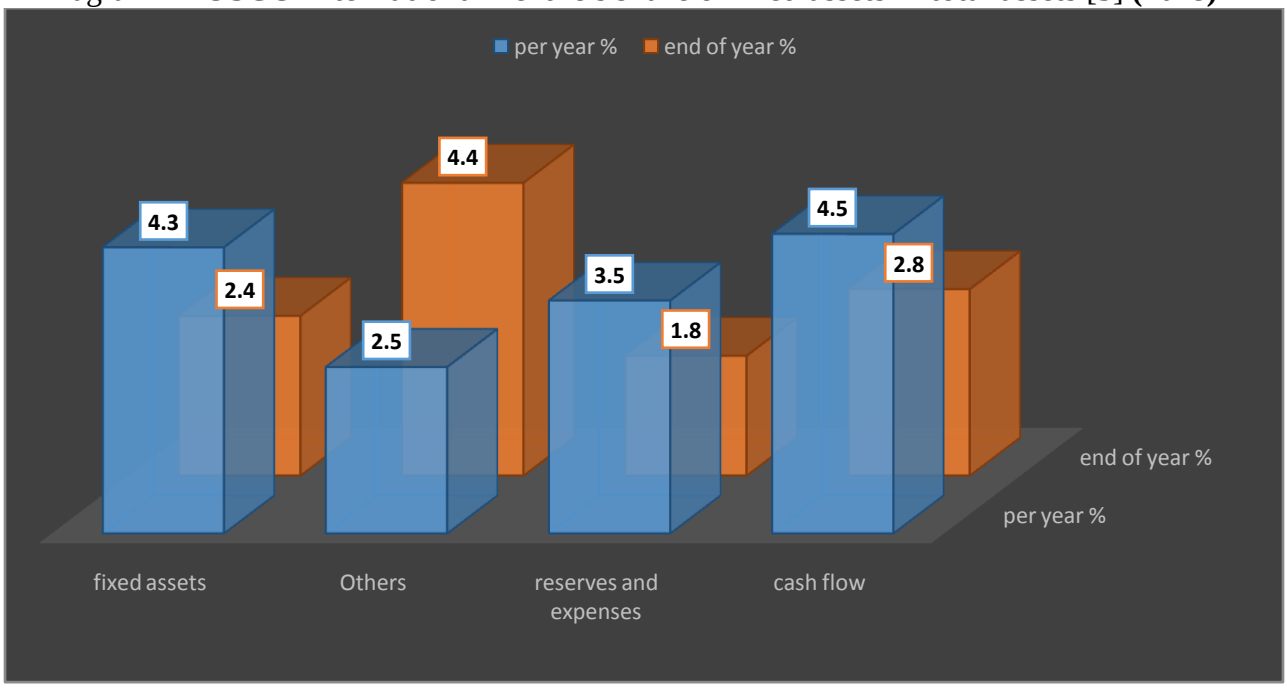
TABLE 2 ANALYSIS OF THE PROPERTY STATUS OF POSCO INTERNATIONAL TEXTILE LLC [3]

Indicators	**Beginning of 2018 y**		**At the end of 2018 y**		**Difference**	
	Amount, mln. sum	Amount, %	Amount, mln. sum	Amount, %	Amount, mln. sum	Amount, %
Total property	525 638,33	100	574 417,37	100	48 779,04	-
Including: 1. Long-term assets	309 254,83	58,83	308 142,67	53,64	-1 112,16	-5,19
Icluding, A) Fixed assets (at residual price)	195 464,94	63,21	210 038,50	68,16	14 573,56	4,96
B). Others	113 789,89	36,79	98 104,18	31,84	-15 685,71	-4,96
2. Current assets	216 383,50	41,17	266 274,69	46,36	49 891,20	5,19

(current assets)						
Including A)Reserves and expenses	133 138,86	61,53	191 612,66	71,96	58 473,81	10,43
B) Cash	42 695,92	19,73	37 358,17	14,03	-5 337,74	-5,70
C) Accounts receivable	40 548,73	18,74	37 303,86	14,01	-3 244,87	-4,73

According to Table 2, the company's economic assets amounted to 48779.04 mln. sums. At the beginning of the reporting year, the share of long-term assets in total assets was 58.83%, while current assets were 41.17%. The share of fixed assets in long-term assets was 63.21%, and the share in total assets was 37.19% (195464.94: 525638.33 * 100). By the end of the reporting year, the share of fixed assets in long-term assets increased by 4.96% to 68.16%. The share of fixed assets in total property at the end of the reporting year was 36.57% (210038.5: 574417.37 * 100), the share of decrease was 0.62% (36.57-37.19). This information can be more accurately represented by the following diagram (Diagram 1).

Diagram 1 **POSCO International Textile's share of fixed assets in total assets** [3] **(2018)**



cash flow at the end of the year

debitor debts in the begining of the year

From the data of Diagram 1, it can be seen that the amount of reserves and expenses at the enterprise by the end of 2018 increased by 10.43% compared to the beginning of the year and amounted to 191,612.66 mln. sums. This leads to the stagnation of working capital in warehouses, a decrease in the turnover rate of working capital. [6]

The share of each type of fixed assets in total fixed assets represents its structure. The structure depends on the nature, nature, level of specialization, technology of production. In the analysis of the structure, attention is paid to the ratio of active (active) and passive parts of fixed assets. Production capacity depends in many ways on the active part of fixed assets. Their passive part is not inextricably linked with production, they only create conditions for production.

There is no definite conclusion about the active part of fixed assets in the literature on economics. One group of economists includes total fixed assets in addition to buildings and structures, the second group includes machinery and equipment, vehicles. Buildings and structures are part of the passive part of fixed assets, but facilities in the fields of electricity, oil refining, gas and others are included in the active part. Thus, the active part of fixed assets can include machinery and equipment, computer equipment and computers, vehicles.

The higher the active part, the more progressive the fund. The statement of fixed assets in the report on the movement of fixed assets (Figure 3), the representation of information on long-term leased fixed assets further expands the object of complex economic analysis of fixed assets.

Below, by analyzing the structure and dynamics of the fixed assets of a foreign enterprise, we can see the change in the active and passive part of fixed assets.

TABLE 2 ANALYSIS OF THE STRUCTURE AND DYNAMICS OF FIXED ASSETS AT POSCO INTERNATIONAL TEXTILE [3]

Indicators	**In the beginning of 2018 year**		**At the end of 2018 year**		**Change**	
	Amount, mln. sum	Share, in percent	Amount, mln. sum	Share, in percent	Amount, mln. sum	Share, in percent
Total fixed assets	644 557,06	100	657 078,23	100	12 521,17	-
Including:						
Active part	625621,80	97,06	636 491,97	96,87	10 870,17	-0,19
Passive part	18 935,26	2,94	20 586,26	3,13	1651	0,19

From the data in Table 2, it can be seen that the total value of fixed assets increased from 644557.06 million sums at the beginning of the year to 657078.23 million sums by the end of the year. sums and amounted to 12521.17 mln. increased by UZS. Its active part was high weight (96.87%), an increase of 0.19% compared to the beginning of the year, while the share of liabilities decreased by 0.19% during the period under review.

We use the following data to calculate and analyze the indicators related to the movement of fixed assets (Table 3).

TABLE 3 FIXED ASSETS MOVEMENT AT POSCO INTERNATIONAL TEXTILE IN 2018 [3] (MILLION SUM)

Indicators	**Residue at the beginning of the year**	**input**	**output**	**At the end of the year**
Fixed assets (initial value)	606 836,44	50 671,78	429,99	657 078,23

Including:				
New fixed assets		50 671,78		
Depreciation of fixed assets	411 371,5			447 039,73
Residual value of fixed assets	195 464,94			210 038,5

Based on the data presented in Table 3, we determine the following coefficients representing the movement of fixed assets.

The replacement rate of fixed assets (Kyang) is determined by the following formula as the ratio of new fixed assets to the initial value at the end of the year:

Kyang = Av.yang / Av.b.q.yo. * 100

That is,

Kyang = 50 671.78: 657078.23 * 100 = 7.71%

where: Av.yang - the amount of newly arrived fixed assets; Av.b.q.yo - the initial value of fixed assets at the end of the period;

The depreciation rate of fixed assets (Kchiq) is determined by the following formula as the ratio of fixed assets written off during the year to the initial value at the beginning of the year:

Kchiq = Av.chiq./ Av.b.q.yb * 100

That is,

Kchiq = 429.99: 606836.44 * 100 = 0.07%

where: Av.b.q.yb - the initial value of fixed assets at the beginning of the period;

Av.chiq - fixed assets written off during the reporting period.

As a result of the following business operations, fixed assets are excluded from the assets of the enterprise:

- when realized;

- due to the inexpediency of further use;

- free transfer to foreign enterprises and individuals;

- contribution to the charter capital of other enterprises as a share;

- when transferred under a financial leasing agreement;

- when a deficit or loss is detected.

Updating the product range, raising its quality to the level of demand, increasing labor productivity, reducing costs require constant equipment of production with new equipment.

eplacement coefficient: (Ka) = Av. output / Av.kel * 100,

That is

Ka = 429.99: 50651.78 * 100 = 0.85%

Machine and equipment fleet expansion coefficient (Kk): 100-0.85 = = 99.15%

The technical condition of fixed assets is represented by the following indicators:

- suitability coefficient;

- wear coefficient.

The coefficient of suitability of fixed assets (Kyar) is determined by dividing their residual value by the initial value (Table 4).

TABLE 4 ANALYSIS OF THE USEFUL LIFE OF FIXED ASSETS AT POSCO INTERNATIONAL TEXTILE [4] (MILLION SUM)

	Indicators	**beginning of the 2018 year**	**At the end of the 2018 year**
1.	The initial value of fixed assets	606 836,44	657 078,23
2.	Depreciation of fixed assets	411 371.5	447 039,73
3.	Residual value of fixed assets (1-2)	195 464,94	210 038,5
4.	Fitness ratio of fixed assets (3/1*100)	32,21%	31,97%

From Table 4, the suitability ratio can be determined for each type of fixed assets, including total fixed assets, including fixed assets. The level of usability of fixed assets at the enterprise decreased from 32.21% at the beginning of the year to 31.97% at the end of the year.

Depreciation rate of fixed assets (Kesk) is determined by the ratio of the amount of depreciation to the initial value of fixed assets (Table 5).

From the data in Table 5 it is possible to estimate the renewal of fixed assets, the useful lives of fixed assets by studying the dynamics of the level of depreciation of fixed assets.

TABLE 5 ANALYSIS OF THE DEPRECIATION RATE OF FIXED ASSETS AT POSCO INTERNATIONAL TEXTILE, [4] (MILLION SUM)

T/p	**Indicators**	**The initial value of fixed assets**	**Depreciation of fixed assets**	**Depreciation factor, % (4/3*100)**
1	2	3	4	5
2	The beginning of 2018	606 836,44	411 371.5	67,79
3	The end of 2018	657 078,23	447 039,73	68,03
4	Change (3-2)	50 241,79	35 668,23	0,24

Depreciation rate depends on the methods of calculating depreciation allowances, changes in the composition of fixed assets, depreciation rates. The level of obsolescence at the enterprise under analysis increased from 67.79% to 68.03%, while its serviceability decreased from 32.21% to 31.97% per year.

The structure of fixed assets is determined by the specialization of the industry and reflects the characteristics of production and maintenance of the enterprise. It depends on the total amount of fixed assets of the enterprise and the volume of non-production, assets and liabilities, as well as their changes and dynamics during the year.

A sharp increase in the initial value of fixed assets relative to the residual value indicates an increase in depreciation in the coefficients and a decrease in their suitability, i.e. a deterioration in condition.

The sharp increase in the residual value relative to the initial value indicates that the fixed assets have been updated, their depreciation has been reduced. One way to reduce obsolescence, that is, to improve the condition of fixed assets, is to make timely capital repairs, purchase new ones, as well as write off obsolete equipment. This measure should be taken into account in the context of free market relations.

The availability of fixed assets is a measure of the technical support of the enterprise, the mechanization and automation of labor and work. These indicators can be used to determine the level of material and technical base of each enterprise. As a result, these indicators are key indicators (Table 6).

The indicators in Table 6 are determined by the example of a foreign company POSCO International Textile.

1. The degree of armament with funds is the ratio of the value of fixed assets (according to initial estimates) to the number of workers in the largest shift. It reflects the level of provision of workers with tools (fixed assets) and is determined by the following formulas:

Kf.t = Av.f / Is = 636491.97: 1100 = 578.63

where: Kf.t - coefficient of provision of employees with fixed assets; Av.f - value of fixed assets; Work is the number of workers in the largest shift.

Data are obtained from Figure 3 financial report and Form 1-T statistical report for analysis.

Production at the foreign company POSCO International Textile is carried out in 3 shifts 24 hours a day. There is also a day shift. The total number of employees is 3942 people, the largest shift employs 1100 people.

2. The maintenance ratio (Kt.t) is calculated as the ratio of the amount of production equipment (i.e the active part of fixed assets) to the number of workers in the largest shift and is determined by the following formula:

Kt.t = I.us / Is = 524513.04: 1100 = 476.83

where: Kt.t - coefficient of technical support; I.us is the sum of production equipment.

TABLE 6 INDICATORS OF THE AVAILABILITY OF FIXED ASSETS (AV.) [3]

Indicators	**What does it mean (content)**	**Determination formula**
1. With funds degree of armament	Active Av. Corresponding to one employee. represents the value of	Av.f./Is
2. Technical support percentage (Kt.t)	The ratio of the amount of production equipment to the number of workers in the largest shift	I.us / Is
3. Funding level of the result (Fund capacity)	How much is Av 1 for the result indicator? indicates that the sum is correct	Av./Q

4. Provision of own funds (Um.) With fixed assets	How much is 1 sum Av. represents the amount of capitalization or the degree of capitalization of own funds	Av./Om

3. The stock capacity of the product indicates how much the amount of fixed assets corresponds to the result of 1 sum and is determined on the basis of the following formula:

Fc = Av./ Q = 650817.65: 955697.48 = 0.68

Fc = Av./ Q = 639557.03: 778521.37 = 0.82

Fund capacity is inextricably linked with saving or increasing capital investment. For example, when the stock capacity of a product decreases and its production volume is constant or growing, the conditions for the use of fixed assets improve, which means that there is an opportunity to save capital investment. The following formula is used to find it:

Ek = Fc.o'zx Q = (0,82-0,68) x 955697,48 = 133797,65

Here: Ek - capital investment savings, sums; Fc.oz - change in stock capacity of the product in the reporting year compared to the previous year, sums.

4. Own funds (Om.) Av. provided that 1 sum is how much Av. represents the amount of capitalization or the degree of capitalization of own funds:

Ko'm = Av / O'm = 650817,65: 305105,91 = 2,13

The ratio of fixed assets to fixed assets in the enterprise was 2,13.

In conclusion, it can be said that in other sectors of the textile and light industry to ensure deeper processing of raw cotton, export of finished products such as dyed yarn, knitted fabrics and fabrics to foreign countries, and then, based on the active adoption of modern technology and design, finished textile products we can achieve tremendous efficiency in production.

At the same time, it is necessary to increase the production capacity of textile enterprises, introduce more quality control of raw materials, expand the production of high quality products that meet international standards based on our national traditions, and attract foreign investors and designs to Uzbekistan. we need to study marketing and produce and export knitwear in line with our traditions in a new design style.

The article "Improving the efficiency of the use of fixed assets and working capital in the textile industry of the country" using the data of the foreign company POSCO International Textile, a large textile company located in Fergana region. Since this enterprise is a weaving enterprise of great importance not only in the region, but also in the Republic, its data were taken as the object of this article.

REFERENCES

1. Abdukarimov I.T. and others. Analysis of the economic potential of the enterprise. - T.: World of Economics and Law, 2008, - 256 p.

2. Isakov M.Yu. "Corporate Economics" (text of lectures) - T.: TSU,2015,165-202.

3. Abdukarimov I.T. and others. Analysis of the economic potential of the enterprise. - T.: World of Economics and Law, 2008, - 256 p.

4. Based on data from a foreign company Posco International Textile.

5. Shoalimov A.X., Ilhamov Sh.I, Tojiboeva Sh.A. Economic analysis and audit. Textbook. –T.: "Sano-standart", 2017. 392 p.

6. Axunova, O., Teshabaeva, O., & Shaxobiddinova, A. (2018). Methods of influencing the process of capital to the true value of the company in the system of corporate governance. Priorities of world science: experiment and scientific discussion (pp. 236-238).