

PROFIT AND ITS SOURCES OF FORMATION, ORDER OF DISTRIBUTION AND WAYS OF REPRODUCTION

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ABSTRACT

This article provides feedback on the sources of profit and its formation, the order of distribution and ways of multiplication, and the main function of profit in modern management is to reflect the efficiency of the enterprise, increase production and sales, improve quality, use available production resources.

Keywords: profit, export, investment, business activity, efficiency, distribution order, resources, quality, corporate governance.

Introduction

Balanced development of the economy of our country, its effective structure and thus achieving sustainable economic growth are important conditions for the development of our country and the well-being of the people. To achieve this goal, first of all, it is necessary to accelerate the development of the real sector of the economy.

The Decree of the President of the Republic of Uzbekistan "On the Strategy of Actions for the Further Development of the Republic of Uzbekistan" The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 was approved. The priorities of economic development and liberalization play a special role in this Action Strategy. One of the most important tasks of the Action Plan is to continue the policy of encouraging the localization of production in the region to increase the competitiveness of the economy through deepening structural changes, first of all, to replace imports of consumer goods and components, expand intersectoral industrial cooperation.

Increasing the export potential of the regions by increasing the competitiveness of products is one of the priorities of reforms in the economic sphere. Today, the growth of foreign economic relations in terms of quantity and quality places higher demands on the in-depth study of these processes.

Certain problems in the production of enterprises of various forms of ownership, scientific and technical, monetary and financial, trade and economic relations with foreign partners, the organization of export production, which are priorities in the development of foreign economic relations, tourism development, attracting foreign investment existing, and their solution is an urgent task today.

The solution of current problems, such as the modernization of the material and technical basis of social production, the effective employment of labor resources to ensure rapid economic growth, in many respects requires adherence to the principles of austerity.

Accordingly, as a result of industrial modernization, technical and technological renewal projects, as well as the effective implementation of the program of measures to reduce energy consumption in the economy and social spheres in 2015-2019, the introduction of energy-saving technologies in 2018, And the cost of goods produced by large enterprises decreased by an average of 10.6% compared to the previous year.

During the economic reforms that have taken place, radical changes have taken place in economic relations, first of all, in the attitude to property. Due to the implementation of previously adopted programs of privatization and denationalization in the country, a diversified economy has been clearly defined, the non-governmental sector of the economy

has been strengthened and began to play an active role.

Therefore, the following are identified as important conditions for the implementation of systemic measures in this area of the Action Strategy:

to ensure reliable protection of the rights and guarantees of private property, to remove all obstacles and restrictions on the development of private entrepreneurship and small business, to give it full freedom, to implement the principle "If the people are rich, the state will be rich and strong";

creation of a favorable business environment for the development of small business and private entrepreneurship, strict prevention of illegal interference in the activities of business structures by government, law enforcement and regulatory agencies;

further expansion of privatization of state property and simplification of its procedures, reduction of state participation in the charter funds of economic entities, creation of favorable conditions for the development of private entrepreneurship on the basis of privatized state property;

improving the investment climate, active attraction of foreign, first of all, foreign direct investment in the sectors and regions of the country's economy;

introduction of modern standards and methods of corporate governance, strengthening the role of shareholders in the strategic management of enterprises;

improvement and simplification of procedures and mechanisms for connecting business entities to engineering networks;

reducing state participation in the regulation of socio-economic development of the country, decentralization and democratization of public administration, expanding public-private partnerships, increasing the role of non-governmental, public organizations and local governments.

The reduction of state participation in the economy will be achieved through direct privatization processes, which will further simplify the process of selling unused state property, including at "zero" purchase price, and establish a procedure for receiving and reviewing proposals for their purchase when identified by the business entity. holds.

Rational and efficient use of unused state property, organization of production of modern and competitive products, creation of new jobs and increase of incomes of the population.

In order to create new small industrial zones and increase the efficiency of existing ones:

approval of the relevant action plan with a critical study of the state of connection of participants of small industrial zones to the necessary engineering and communication networks;

placement of business entities in small industrial zones, carrying out a full cycle of production, taking into account their specialization, resource potential of the region;

implementation of investment projects and systematic monitoring of the implementation of the obligations imposed on the participants;

it is necessary to expand the participation of commercial banks in the implementation of new investment projects in the territory of small industrial zones.

The implementation of these measures will reduce the cost of products produced by large enterprises in the industrial sector by an average of 8% and increase their competitiveness.

Naturally, the current situation, as a result of the created conditions, requires the following tasks:

increase the efficiency of privatized enterprises, support their privatization;

creation of new jobs, especially in rural areas, through structural restructuring of the economy;

creation of a competitive market environment in order to fill the domestic market with products and increase the exportability of products;

Intensive development of market infrastructure in the regions and improving the quality of services, strengthening ties with businesses;

creating an effective class of owners; building a full-fledged securities and real estate market.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 sets specific goals for radically improving the welfare and quality of

life, comprehensive and accelerated development of society and the state, modernization and liberalization of all spheres of life.

In other words, we must transform Uzbekistan into a stable market economy with a high share of innovation and intellectual contribution to production, a competitive industry in the modern and global market, as well as a rapidly developing country with a favorable investment and business environment. These goals cannot be achieved without the full transition of Uzbekistan to an innovative model of development, which requires the creation of an effective system of state support for innovative activities in the country and encourage the implementation of innovative ideas, developments and technologies in public administration, priority sectors of the economy and society.

The main part

Profit is an important economic category (category) and is the main goal of every commercial organization. As an economic category, profit reflects the net income generated in the field of material production.

The main part of the profit is gained by enterprises through the sale of manufactured products. In modern business conditions, the main function of profit is defined as to reflect the efficiency of the enterprise. This can be explained by the fact that the amount of profit, the individual costs of the enterprise in the form of the cost of production associated with the production and sale of products, should include socially necessary costs in the form of product prices.

In the context of the transition to market relations, the activities of enterprises are associated with an increase in the incentive value of profits. Use as the main indicator of profitability is based on the increase in production and sales, improvement of quality, increase in productivity of use of available production resources. At the same time, the increase in the importance of profits is due to the current system of profit distribution, according to which there is an increase in interest in increasing profits to ensure production and social development of enterprises and financial incentives based on the quality and quantity of labor.

Thus, increasing the efficiency of profit production plays a crucial role in strengthening the material interest of employees in the high results achieved by their enterprise.

Profits in the enterprise can be obtained as a result of various activities. The sum of all profits constitutes the gross profit of the enterprise. The components of gross profit are:

profit from work performed, services rendered and sales of products;

fixed assets, as well as profits from the sale of other property of the enterprise;

profit from the financial activities of the enterprise.

The income of the enterprise depends on two indicators, namely the price of the product and the cost of its production. The market price of a product arises as a result of the supply and demand relationship. In the context of free competition, the price of a product is regulated automatically, not at the discretion of the manufacturer or buyer, in accordance with the laws of pricing.

Profit describes the economic effect obtained as a result of the enterprise's activities. The profitability of the enterprise means that the income exceeds the expenses related to the activities of the enterprise, and it also performs incentive functions. This means that profit is both a financial result and a key element of the financial resources of the enterprise; explained by the fact that revenue serves as the main source for budget formation at different levels.

The main sources of income are:

the first source is formed due to the monopoly position of the enterprise in the production of this or that type of product or the rarity of the product. The maintenance of this source implies the constant updating of the product;

the second source is related to manufacturing and entrepreneurial activities. The effectiveness of its use depends on the knowledge of market conditions and the ability to adapt the development of production to the constantly changing market conditions. The amount of profit is the correct choice of the direction of production of the enterprise (selection of a product with a high level of demand); creation of competitive conditions for the sale of products and services (pricing, delivery time, customer service, after-sales

service, etc.); production capacity (the larger the production capacity, the greater the amount of income); will be related to the structure of reducing production costs;

the third source comes from the innovative activities of the enterprise. Its use means continuous improvement of technology, updating of manufactured products, ensuring its competitiveness, increasing product sales and profits.

The balance sheet profit of the enterprise is the object of profit distribution. Distribution of profits means sending part of it to the budget. According to the legislation, the part of the profit that comes to the budget in the form of taxes and other mandatory payments is regulated. The part of the income that remains at the disposal of the enterprise, the directions of its use are the responsibility of the enterprise.

Income received as a result of production and economic activities of enterprises consists of:

1. Net sales revenue.
2. Other income from operating activities.
3. Income from financial activities.
4. Extraordinary benefits.

Net income from sales is defined as income from the sale of goods (works, services), value added, excise tax and export duties, deductible income. It does not include the return of goods, discounts for buyers, etc.

Other income from operating activities includes:

Fines, penalties, overdue debts and other penalties for breach of the terms of economic contracts, as well as income from the recovery of damages, as collected or recognized by the debtor.

Profit for previous years determined in the reporting year.

Rental income from operations not directly related to production and sale of products (works, services), receipts from kitchens under business entities, other income as income from ancillary services.

Income from the sale of fixed assets and other property of the business entity.

Income from the write-off of overdue creditors 'and depositors' debts.

Careful assessment of inventory. The amount of the full valuation of inventories is

included in taxable income from the sale of goods (works, services).

Revenues from government subsidies *

Objective financial assistance.

Other operating income.

Income from financial activities includes:

Royalties received and capital transfers.

Income from participation in the activities of other business entities in the territory of the Republic of Uzbekistan and abroad, dividends on shares and bonds, as well as income on securities owned by the business entity.

Income from long-term lease of property (receipt of lease payment).

Currency accounts, as well as positive exchange rate differences on foreign currency transactions.

Income from revaluation of funds spent (on securities, subsidiaries, etc.).

Other income from financial activities.

Extraordinary benefits are items of an unintended, accidental nature that arise and are expected to arise as a result of an event or an outflow from the normal activities of the entity. This does not include benefits for prior periods that should be reflected in the extraordinary items of income or other income from operating activities.

The financial results of the enterprise are characterized by the following indicators of profit:

- Gross profit from the sale of a product, defined as the difference between the net proceeds from the sale and the cost of production of the product sold:

$$\text{ЯФ} = \text{ССТ} - \text{ИТ.}$$

in this,

ЯФ - gross profit;

ССТ - net sales revenue;

ИТ - production cost of goods sold;

- Profit from operating activities is defined as the difference between gross profit from sales of this product and current expenses, and other income or minus other losses from operating activities:

$$\text{АФФ} = \text{ЯФ} - \text{ДХ} + \text{БД} - \text{БЗ},$$

in this,

АФФ - profit from operating activities;

ДХ - period costs;

БД- other income from operating activities;

БЗ- other losses from operating activities.

Profit (or loss) from operating activities is the amount of profit or loss from operating activities plus income and minus losses:

$$Y\Phi = A\Phi\Phi + M\Delta - M\chi,$$

in this,

$Y\Phi$ - profit from general economic activity;

$M\Delta$ - income from financial activities;

$M\chi$ - financial operating expenses;

Profit received before tax, it is defined as profit from general economic activities plus profit from extraordinary (unforeseen) situations and minus loss:

$$CT\Phi = Y\Phi + \Phi\Pi - \Phi\text{З},$$

in this,

$CT\Phi$ - profit received before tax;

$\Phi\Pi$ - benefits from emergencies;

$\Phi\text{З}$ - damage from emergencies.

Net profit for the year, which remains at the disposal of the business entity after the payment of tax, represents the profit before taxes, excluding income tax (profit) and other taxes and fees provided by the legislation:

$$C\Phi = CT\Phi - \Delta C - BC,$$

in this,

$C\Phi$ - net profit;

ΔC - income tax;

BC - other taxes and fees.

The principles of profit distribution are as follows:

the profits of the enterprise as a result of production and financial activities are distributed between the state and the enterprise as an economic entity;

part of the profit paid to the state comes to the budget in the form of taxes and levies. The composition and percentage of taxes, the procedure for their calculation and other payments to the budget shall be determined by law;

the amount of profit remaining at the disposal of the enterprise after the payment of taxes should not reduce its interest in increasing the volume of production and improving the results of production and financial activities.

The order of distribution and use of profits in the enterprise is determined by its Charter and is determined by the rules approved by the management of the enterprise, prepared by the authorized economic service staff.

The amount of profit from the sale of the product depends on internal and external factors. Internal factors are the introduction of modern equipment and technologies in the enterprise, the level of management, the responsibility of management and management, the competitiveness of the product, the level of organization of production and labor. External factors that do not depend on the activities of the enterprise include market conditions, the cost of consumed material and technical resources, depreciation rates, the tax system.

Conclusions

The main ways to increase profits in the enterprise. Every enterprise should have planned measures to increase profits. In general, such measures may include:

- increase the volume of products produced;
- improving the quality of products;
- purchase or lease of excess equipment or other property;
- reduction of production costs through more efficient use of material resources, production facilities and areas, labor and working hours;
- diversification of production;
- product market expansion, etc.

While profit is an important economic indicator of an enterprise's performance, it does not fully describe its efficiency. To determine the effectiveness of the enterprise, the results (benefits) should be compared with the costs or resources expended to achieve these results.

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