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THE IMPORTANCE OF FINANCIAL RISK MANAGEMENT AND ASSESSMENT IN THE EFFECTIVE ORGANIZATION OF CORPORATE FINANCE

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Abstract. *This article examines some scientific approaches to the proper organization of corporate finance, the proper management of financial risks and the correct assessment of the impact on the financial performance of enterprises. The theoretical significance of the research is that it is a central link in the corporate financial system in the country on the way to full modernization of the economy and contributes to increasing the efficiency of corporate finance and accelerating the process of privatization of state property by reducing the state share in corporate structures.*

Keywords: *investment projects, corporate finance, value at risk, risk management, private capital*

INTRODUCTION

In the process of liberalization and diversification of the economy in our country, the finances of corporations are rapidly gaining their economic position. We know that 5-6 years ago in our country the demand and support mechanisms for small business were accelerating, and now in the new era it is growing rapidly from small to medium, from medium to large business. and not only has a positive impact on the financial system, but also lays the foundation for the development of the state budget, private capital, equity culture, acquisition practices. In the Republic of Uzbekistan, special attention is paid to ways to improve corporate governance in the organization of effective management in joint-stock companies and increase the role of shareholders in corporate governance, ensuring their existing rights in decision-making. Corporate finance is a monetary relationship associated with the establishment of a commercial organization and the activities of an established commercial organization through the voluntary merger of property of legal entities and individuals and is an independent branch of the financial system. It is in this area of finance that the bulk of income is distributed to various sectors of the economy, and this income serves as a major source of economic development and social development. In this case, the income of enterprises is divided into self-financing, obligations to employees and the state, as well as

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other areas. Based on the above, we can see the emergence of corporate finance as a central link in the financial system, and it should be noted that the effective organization of corporate finance requires constant attention to the socio-economic development of society. The Strategy of Actions for the Further Development of the Republic of Uzbekistan for 2017-2021 includes "Development of the stock market as an alternative source of free resources of the population", " Achieving the initial public offering (IPO) of shares of individual national enterprises on foreign stock markets" The definition of tasks such as increased the importance of corporate finance, and the above-mentioned tasks have been performed over the years.

The New Uzbekistan Development Strategy for 2022-2026 states that **"**Increasing financial resources in the economy, including Gradual liberalization of capital movements and privatization of large enterprises and their shares, including through the stock exchange, increase the country's export potential to $ 30 billion in 2026, in the process of supporting the activities of exporting enterprises. increase the export potential of the country through the active continuation of the support system, improve the system of organizational and financial assistance to exporting enterprises, create conditions for business organization and the formation of sustainable sources of income, increase the share of the private sector in GDP to 80% and exports to 60% delivery"[1].

ANALYSIS AND RESULTS

In a market economy, the main task of any commercial organization is to organize financial and economic activities in order to obtain high profits and meet the interests of owners. In a free market relationship, any market entity can participate as a seller and a buyer. In this process, the development of market relations requires strengthening the role of corporate finance in society.

In the context of modernization of the economy, it is important to apply in practice the extensive study of world experience in reducing the risks that arise in the economic activities of enterprises. As mentioned earlier, one of the main issues in the activities of enterprises is risk management. Today, the risk management process includes the following main steps:

[1] The degree of President of the Republic of Uzbekistan, On January 28, 2022 " 2022-2026 designed new of Uzbekistan Development strategy", Decree No. 60

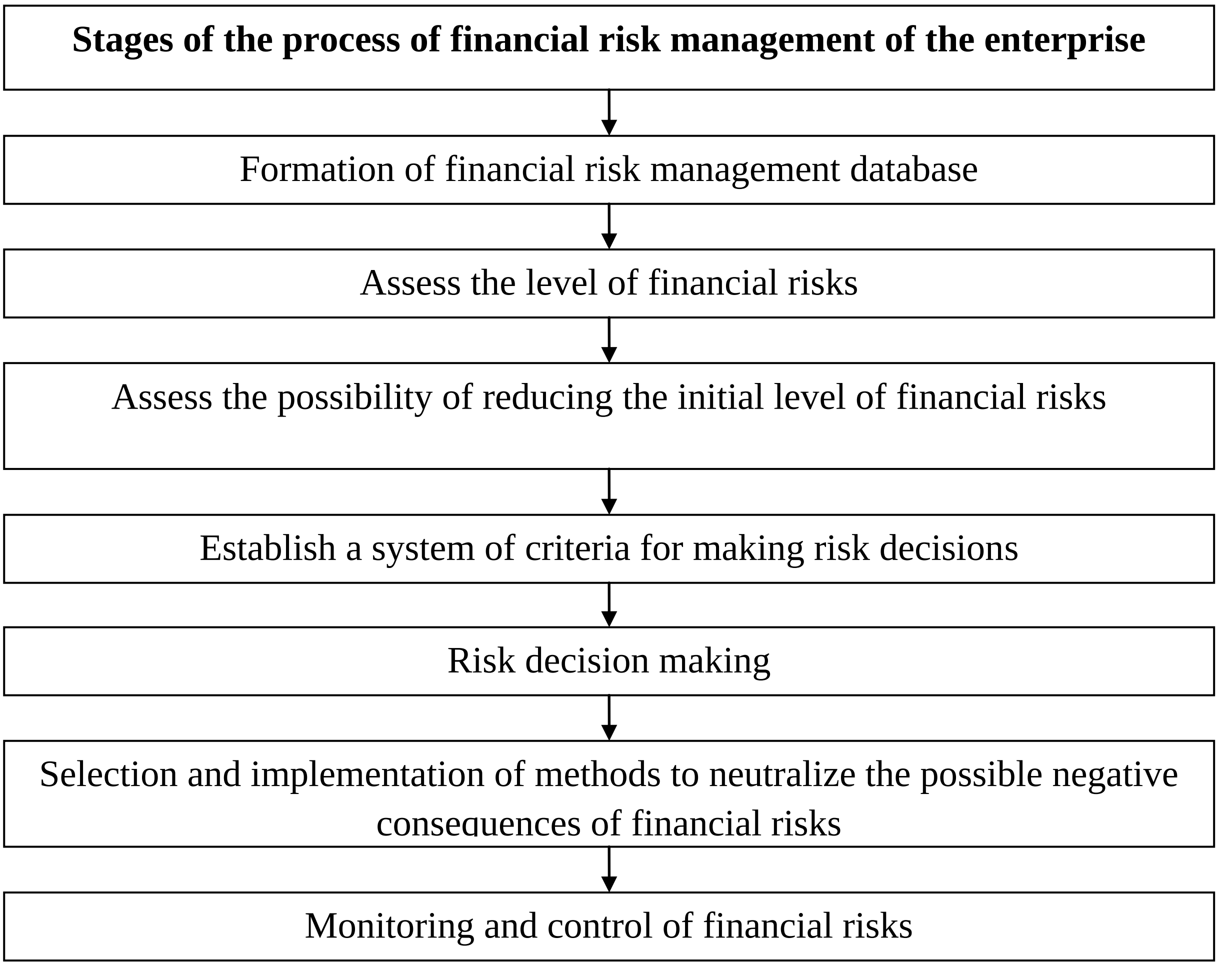

Figure 1. Stages of the process of financial risk management of the enterprise[2]

Enterprises carry out risk management, ie risk management, which is carried out in a certain sequence, in stages. In the figure below, we can see the stages of financial risk management (Figure 1).

The figure above shows the stages of financial risk management. According to this picture, in the organization of risk management in enterprises, first of all, a database is collected. The database provides information on the state of risks in the enterprise and its impact on the financial condition of the enterprise. In this case, internal and external sources of information are collected and summarized for the enterprise. The larger the database in an enterprise, the more opportunities there are to study the level of financial risk.

The next step is to assess the financial risks of enterprises. That is, the risks studied in the previous stage are studied, assessed, risk levels are determined. Certain tasks will be undertaken to achieve this goal of financial risk management. The main part of these tasks can be seen in the figure below. As can be seen from Figure 2.6, one of the main tasks in the organization of risk management in enterprises is to identify high-risk areas of financial

[2] BlankI.A . Osnovifinansovogomenedjmenta (complete 2 books) / Moscow: Mashinostroenie , 2014. - 264 p.

activity that threaten the financial security of the enterprise. This, in turn, provides opportunities for the enterprise to avoid high-risk areas, minimize risks. This will maintain the financial stability of the enterprise.

The main tasks of financial risk management

- Identify high-risk areas of financial activity that threaten the financial security of the enterprise
- A comprehensive and objective assessment of the probability of specific risk events and related financial losses
- Ensuring that the level of financial risks associated with obtaining the intended income from financial transactions is kept to a minimum
- Minimize the potential financial losses of the enterprise in the event of a risky event

Figure 2. The main tasks of financial risk management[3]

The next main task is to make a comprehensive and objective assessment of the probability of specific risk events and possible financial losses associated with it. This will determine the direction of financial resources of the enterprise in different areas, as well as the amount of profit and the amount of minimal losses.

It is known that the level of risk is formed in direct proportion to the level of profitability. That is, a high-income project will have a similarly high risk of losing revenue. This fact is always taken into account in the organization of enterprise risk management. The next major task is to ensure that the level of financial risks associated with obtaining the intended income from financial transactions is minimal. The full implementation of this task will reduce the financial losses of enterprises and determine in advance how much financial losses will be caused, and the formation of targeted financial reserves. This also leads to the stabilization of the financial condition of the enterprise. The next task of risk management is to minimize the possible financial losses of the enterprise in the event of a risky event. This provides ways to minimize the damage in the event of a financial loss in the enterprise. It is advisable to fully implement these tasks in enterprises.

[3]BlankI.A . Osnovifinansovogomenedjmenta (complete 2 books) / Moscow: Mashinostroenie , 2014. - 264 p.

Risk and profitability, which are managed in the activities of enterprises, are closely related. Determining the future values of these two indicators is a key issue. However, using accurate data, it is possible to evaluate future possible outcomes within a certain probability. As a result, many methods for risk assessment in enterprises have been developed and scientifically substantiated by economists today. This techniques following two to the group separation you can:

1) Risks evaluation statistics methods: profitability standard deviation (s); Value at Risk method; CVaR methods.

2) Risks evaluation expert methods: rating methods; point methods; Delphi methods.

Table 1

Precious paper buy get on risk evaluation[4]

№	Sana	Precious of paper market price (sum)	Profitability (%)	Risk evaluation
	A	**B**	**C**	**D**
1	24.12. 2018	200	-	-
2	31.12. 2018	210	5.00%	-
3	07.01.201 9	215	2.38%	-
4	14.01.201 9	200	-6.98%	-
5	21.01.201 9	210	5.00%	-
6	28.01.201 9	220	4.76%	-
7	04.02.201 9	215	-2.27%	-
8	11.02.201 9	225	4.65%	-
9	18.02.201 9	230	2.22%	-
10	25.02.201 9	220	-4.35%	-
11	03.03.201 9	230	4.55%	-
12	Average profitability			**1.50%**
13	Profitability standard deviation			**± 4.42%**
14	Quantum			**-0.08789**
15	04.03.201 9	P_{t+1} = **210**	**Risk** $_{1\ day}$ **= 20**	8.8%
16	09.03.201 9	P_{t+5} = **185**	**Risk** $_{5\ days}$ **= 45**	19.7%

In practice businesses above risks evaluation methods desired from one use possible. Every method based on detected financial risk level different kind of out, but quantitatively to each other close turns out. Profitability standard deviation methods in practice risks evaluation a lot common methods, but the method of risks Value at Risk method of assessment is also used. So Value at Risk Method wider and relatively risks in the evaluation

[4] J.Qurbonov In enterprises financial risks evaluation methods . Corporate finance management modern methods : application and development issues . Republican scientific-practical conference materials package . Tashkent, March 3 , 2016 .

accuracy degree high will be. Therefore of the Value at Risk method below to himself specific properties about stop we pass Value at Risk method some cases Monte Carlo also called the method. This method essence more open for following from the table we use in the table conditional as valuable 11 days of paper cost and 10 days profitability degree obtained (table 1).

This method based on risks evaluation essence that is. Today valuable paper known a amount buy when taken, a or a how much from then this valuable of paper market value the most with how much amount cheaper departure possible, in this case enterprise this valuable paper for how much amount of risk possible represents. Value at Risk method based on detectable risk level to reality how close availability of data how a lot to be depending on. Scientists thought valuable paper risk level on determination for past periods this valuable paper on at least 250 days from the data use to the goal is compatible.

Table 1 information analysis to do based on the following conclusion as quote you can:

- valuable papers on average profitability is 1.5 % which was.
- valuable papers on average profitability standard deviation amount by ± 4.42 % . That is of this content valuable papers profitability next periods an average of ± 4.42 % differentiation possible.

This quantity risks evaluation standard deviation method appropriate risk level amount means. This quantity pointer in Microsoft Excel cell into or above table cell D13 on into = STANDOTKLON (S2: S11) add through determination possible.

- Quantum amount - 0.08789. That is, quantile this level of risk indicates Otherwise so in other words, quantile is profitability average amount and profitability standard deviation The amount is 99% probability with true, 1% probability with accepted as an error when done to the surface coming financial losses degree understood. This the amount in Microsoft Excel cell into or above table cell D14 on into = NORMOBR (1 %; D 12; D13) add through determination possible.

Enterprise buy received valuable papers a from then expected possible which is the minimum value quantum through as follows determined:

$$P_{t+1} = (q+1) \times P_t$$

Here, P_t is valuable t period of the paper value; P_{t+1} is valuable in the period t + 1 of the paper quantum account received without expected possible which is the minimum value;

Enterprise buy received valuable k days of papers then expected possible which is the minimum value quantum through as follows determined:

$$P_{t+k} = (q\sqrt{k} + 1) \times P_t$$

This where, k - risk detectable period (short) term period obtained, P_{t+k} - valuable of paper t + k period quantum account received without expected possible which was minimal value;

Above table data according to if enterprise 03.03.2016 in finance from the market valuable paper for 230 soums buy If so, this valuable of paper a from then on 04.03.2016 in the market prices most with 210 soums fall in this case risk 20 soums or 8.8%, for 5 days then on 09.02.2016 this valuable of paper in the market prices most with 185 soums fall in this case risk 45 soums or 19.7 % possible.

Determining the level of risk is also important in the financial management of enterprises. Financial risks right evaluation for risk with depending on information more collection should. Such information How a lot risk level in detection big help gives Other on the other hand to everyone known risks reduction basic methods one inform become is In enterprises financial manager level of financial risk learned without financial risks reduction, financial risks as a result to the surface arrival possible which was financial losses reduce and in general when financial resources distribution on effective decisions acceptance do TB instead increase possible. Therefore today businesses activities to the surface arrival possible which was financial risks evaluation businesses financial stability and competitiveness in providing important service we think

Businesses in practice risks in assessing, risk and profitability between reciprocal dependence analysis can do get important importance profession reaches International in practice risks risk assessment and profitability concept and his practical aspects separately research are given. Therefore for this paragraph risk and through profitability of the concept practical aspects analysis so we go out

Risk and profitability are one of the basic concepts of financial management, the theoretical foundations of which were first studied in 1921 by the American economist Frank H. Knight in "Risk, Uncertainty and Profit" [5]. Later, the concept of the relationship between risk and profitability was refined by other scientists. The essence of the concept is that there is a direct proportionality between the amount of any income from the business and the level of risk that arises at the same time, that is, the higher the expected level of income, the correspondingly higher the level of risk. ladi or vice versa. Many models of valuation of financial assets (financial instruments of investment) and the methodology of investment analysis in the system of portfolio theory are based on this concept.

In the concept of risk and profitability, the concepts of “risk” and “profitability” are interpreted in their own way, and there are some similarities with the tariffs given to these concepts by other economic disciplines.

The authors of many publications on the theoretical foundations and practical aspects of financial management, American economists Jamec C. Van Horne and John M. Vachowicz, explain the concepts of risk and profitability as follows.

Return on investment for a certain period (for example, one year) - we add to the income received as a result of the sale of the right to own the investment object changes in the market price of the investment object, as well as the initial cost of the object determined [6]by Economists have set tariffs on the concepts of risk and profitability, deviating from

[5]KovalevV.V. Financial management : theory and practice . - 2-eizd., Pererab . idop ., - Moscow: Prospekt , 2011. p. 252
[6]Jamec C.Van Horne, John M.Vachowicz JR. Fundamentals of financial management. Eleventh edition. Prentice Hall, Inc., 2001 p. 141

theoretical approaches in the definition of tariffs, mainly in the practice of companies approaching the methods of calculation.

CONCLUSION

Today, financial risk has become one of the central issues in corporate financial management and is a rapidly evolving field of research. At a time when financial relations in corporate structures are becoming increasingly complex, the process of assessing and managing the financial risks that arise in them is also developing rapidly. The goals of corporate financial management are to maximize the profits of the enterprise, to ensure the economic well-being of the founders and to increase the market value of the enterprise. To achieve these goals, in addition to making decisions on the effective organization of financial, investment and operational activities in enterprises, appropriate measures will be developed and implemented to effectively organize the assessment and management of financial risks. All activities on financial risks will ultimately prevent future financial losses of the enterprise and ensure its financial stability. In order to effectively organize the process of assessment and management of financial risks in corporate finance management, it is necessary to first gain an understanding of the stages of development, types, assessment and management of existing financial risks.

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