

Financial Activity of Small Business and Business Subjects and Factors Affecting It

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Abstract: The article deals with the issues of financial activities of small business and entrepreneurship, and the factors affecting the financial activities.

Keywords: Balanced Score Card, small business, accounting, finance, capital, product.

INTRODUCTION

The increasing role of small business and business entities in the economy of our country is closely related to the financial activity of representatives of this sector. Therefore, first of all, let's see what is meant by the financial activity of small business and business entities and what factors affect it.

For an entrepreneur, the fact that he has certain funds or resources does not guarantee success, because he must also be able to work with them. When an entrepreneur performs his work, he has to make several types of decisions depending on external and internal conditions, and he can achieve one or another result depending on the quality of these decisions.

DISCUSSION AND RESULTS

Therefore, the decisions he made and the process of managing business activities based on this are the guarantee of the entrepreneur's success and may be the reason for his encounter with criticism. Any entrepreneur should know and take into account the conditions of the market economy, the main features of the market in his activities.

The financial activity of small business and business entities is an integral part of their activity, which is how financial management is organized. In turn, financial management depends on the rational allocation of resources.

The finance of small business subjects represents the financial activity of these enterprises operating in different fields and economically interdependent with each other. The financial classes of the enterprise are the sum of the attracted and own funds, which direct the financing of the enterprise's mini-obligations, expenses, current expenses, and expansion of production.

Financial management shows how to manage financial resources and financial relations among business entities during the movement of financial resources, and includes the use of financial mechanisms in combination with various methods for the purpose of management.

136	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 11 in Nov-2022 https://www.grnjournals.us/index.php/AJEBM
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Financial resources of the enterprise are funds that can be used for the implementation of its goals. They can be directed to the development of enterprise activity, to the organization and development of production, to consumption, to the development of non-production activities, or to be stored in reserve. Capital is a part of financial resources, which is used for the development of the production and trade process and is manifested as capital in the form of money. So, capital is money that is directed to circulation, and they bring a certain amount of profit. Money circulation is carried out as a result of a number of similar opportunities, involving it in entrepreneurial activities, lending, hiring hired labor.

Currently, the "Balanced Score Card" (BSC), developed by American scientists R. Kaplan and D. Norton, occupies a special place in the study of the financial situation of small enterprises. This system was developed on the basis of measuring and evaluating a number of indicators representing the efficiency of small business and entrepreneurship. In this system, along with the traditional financial parameters of the past operations, the connection of the new evaluation classification of the future financial activity is embodied.

This system is a strategy that represents the burning of long-term financial goals, in which it is necessary to achieve a previously planned economic result.

Therefore, when developing the financial strategy of small enterprises, it is necessary to take into account the financial indicators of the general strategy.

For this reason, it is proposed to implement the process of transition to the budgeting system with the BSC system based on the following principles: 1. Additional growth indicators of the profit, product sales and profitability of the small enterprise should be included in the financial budget in the BSC system; the budget of initiatives.

2. In the activity of a small enterprise, it is important to calculate the possibility of strategic formation and the determination of the value of these activities, as well as the possibility of distributing their costs over time. 3. It is appropriate for the organizational structure of small enterprises and the budgeting system used in it to reflect the income from the sale of products and the expenses spent on the production of new products in the budget of the new project or in the collective budget of the company.

4. Customer service, sales promotion, advertising and other expenses related to product sales should be included in the budget of commercial and other management expenses, etc. 43 Ole N.G. Poll j. Veter M. "Osenka effektivnosti deyatelnosti komp Prakticheskoye rukovodstvo po ispolzovaniyu sbalansirovannyoy sistemy pokazateley." -M. Williams, 2004,237.

Most of the small enterprises operating in the current conditions are characterized by shortcomings: the pursuit of temporary results and therefore the insignificance of a prospective approach; low level of preparation of management for new possibilities of financial activity, introduction of management principles into its important areas, taking into account the features of the enterprise's activity.

The financial condition of the organization determines its competitiveness, that is, the set of indicators associated with this condition is its ability to pay. creditworthiness, ability to use financial resources and capital and it is a generalized indicator of the ability to fulfill its obligations. Analyzing the financial condition of the enterprise includes the analysis of its current indicators: profitability (profitability), financial stability, creditworthiness, capital utilization indicators, ability to self-finance, self-sufficiency in foreign currency.

CONCLUSION

In conclusion, it can be said that it is necessary to analyze the impact of all important decisions on the management of resources of small business and entrepreneurial subjects on the financial situation of the enterprise and to consider the attitude of the founders of the enterprise to such decisions, effective activity of small business and entrepreneurial subjects performance largely depends on their financial management. With the help of tools and methods of the financial management mechanism, it is necessary to realize its goals and specific aspects, as well as the formation, distribution and effective use of financial resources of small businesses and entrepreneurs.

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