

Economic Analysis of Transactions with Corporate Securities

Muratov Amir Timur ogli

3rd year student at Tashkent State University of Economics, Faculty of Finance and Accounting,
Department of Finance and Financial Technologies

Abstract

The development of a modern stock market is a mandatory factor for the transition to a full-fledged market economy and improvement of the monetary circulation system. The securities market (stock market) is an integral part of the state's financial system. For a developed securities market to exist in a country, its components are necessary: demand, supply, intermediaries, participants, market infrastructure, as well as systems for its regulation and self-regulation. The privatization and corporatization of state-owned enterprises played a decisive role in the reconstruction of the securities market - joint-stock companies became the main subjects of this market.

Keywords: *stock market, securities market, market economy, joint stock companies, economic sectors, market functions.*

Relevance of the topic: In the current state of the economy, there cannot be a full-fledged securities market in Uzbekistan. The level of its development largely depends on the welfare of the population, which determines the demand for securities. Therefore, economic growth, accompanied by an increase in household incomes, is the main factor in strengthening the securities market.

The securities market in Uzbekistan today is characterized by small volumes, low liquidity, unknown macroeconomic relationships for groups of securities, underdeveloped material base and technology for operations with securities, and the absence of a long-term stock policy. The relevance of the research topic is due to the importance of modeling the processes of transactions with securities, which are one of the significant economic factors in the development of many real sectors of the economy.

Although developments are currently known in certain areas of the functioning of the stock market within the framework of the general task of financial management, there is a need to study the economic and mathematical methods necessary at various stages of securities turnover for a more objective account of the specifics of investing in securities, as well as for carrying out individual types of practical transactions with securities.

The object of the study is the processes of investing financial and other resources in securities.

The purpose of the study is to create theoretical and experimental methods to support decision-making processes at various stages of the implementation of transactions with securities, to develop practical issues of applying these methods in the general cycle of activities for managing the stock market.

To achieve the goal of this work, the following tasks are set:

- a study of the main segments of the stock market was carried out and promising directions for its development in Uzbekistan were identified;

- all the most important characteristics of securities were reviewed and analyzed, in particular, risk factors for transactions with securities were taken into account and classified, the components of the company's investment policy in the stock market were studied;
- analyzed the problems of short-term forecasting of profitability from operations with securities;
- the fundamental issues of organizing technical, software and information support for management decision-making processes in transactions with securities are considered.

Scientific novelty of the research.

- the article provides a new solution to the current economic problem of developing methods for substantiating and implementing investments in securities on the stock market;
- all the most important characteristics of securities were analyzed, in particular, specific types of valuations, a classification of risk factors for transactions with securities and the relationship between value indicators and risk were carried out;
- the functionality of modern computer exchange systems is analyzed. A conclusion is made about the advisability of using mathematical methods for processing the results of expert assessment of the parameters of a securities portfolio, short-term forecasting of these parameters and methods for optimal management of risk and profitability of a securities portfolio at the final stage of making a decision on a securities portfolio.

Practical significance of the study. The results are significant for the theoretical justification and practical solution of the current economic problem of investing in securities on the stock market.

Main part.

The securities market is the economic relationship between market participants regarding the issue and circulation of securities. The securities market is an integral part of the financial market in which the redistribution of funds occurs through financial instruments such as securities¹. The peculiarity of attracting financial resources using securities is that, as a rule, they can be freely circulated on the market. Therefore, a person who has invested his funds in any production by purchasing securities can return them (in whole or in part) by selling the securities. At the same time, his actions do not affect or disrupt the production process itself, since money is not withdrawn from the enterprise, which continues to function. The possibility of free purchase/sale of securities allows the investor to flexibly determine the time for which he wishes to place his funds in a particular economic project (Figure 1).

¹A security is a document reflecting property rights, having a value, capable of independently circulating on the market, being the object of purchase and sale and other transactions. Securities can be a source of permanent or one-time income

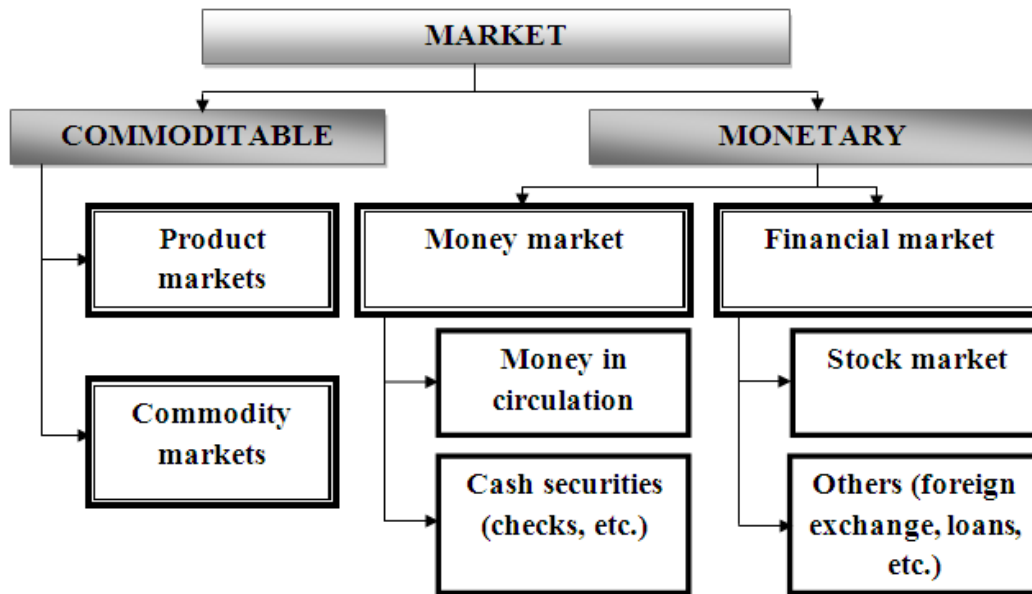


Figure 1. Place of the securities market.

The emergence and development of securities is associated with the growing need to attract financial resources in connection with the expansion of production and trading activities. As the scale of production increased, the funds of one or several entrepreneurs were no longer sufficient for its development. Therefore, there was a need to attract financial resources from a wide range of people.

The purpose of the securities market is to accumulate financial resources and provide the possibility of their redistribution through transactions with securities, that is, to mediate the movement of temporarily free funds from investors to issuers of securities.

Figure 2 shows the functions of the securities market. General market functions are understood as functions inherent in each financial market.

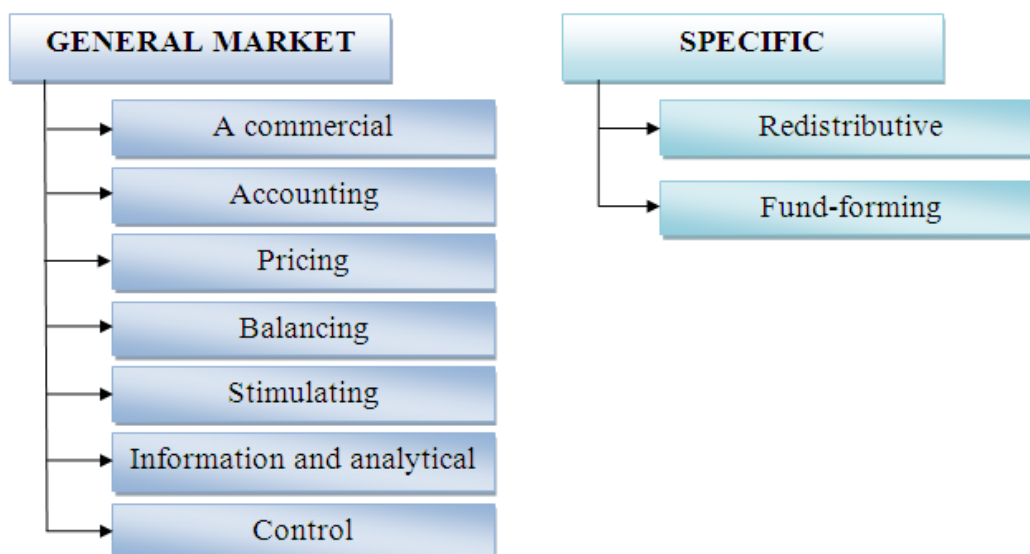


Figure 2. Functions of the securities market

General market functions:

- ✓ the commercial function involves making a profit from operations in a given market;
- ✓ the accounting function is manifested in mandatory accounting in special lists, registers of all types of securities, registration of securities market participants, as well as recording stock transactions;
- ✓ the pricing function is to provide the market with the process of price formation, their constant movement and response to changes in the situation in the financial system as a whole;
- ✓ balancing function means ensuring the balance of supply and demand in the financial market by conducting transactions with securities;
- ✓ the stimulating function is to motivate legal entities and individuals to become participants in the securities market. For example, by granting the right to participate in the management of the company (shares);
- ✓ the information and analytical function manifests itself when the market generates and communicates to its participants information about the objects of trade and its participants;
- ✓ The control function involves monitoring compliance with legislation by market participants.

Specific functions:

- ✓ the redistribution function consists of the redistribution of financial resources mediated by securities between production and financial activities, the state and the population, and regions;
- ✓ The fund-forming function is associated with the accumulation of temporarily free funds for investing them in promising sectors of the economy.

The state of the stock market is important for the stable development of the economy; its collapse, that is, a strong drop in the market value of securities in a short period of time, can cause stagnation in the economy. This is because falling securities prices make investors absolutely poorer. As a result, they reduce their consumption, the demand for goods and services falls, enterprises accumulate unsold products, they begin to reduce production and fire workers, which further reduces the level of consumption. In addition, the fall in market value reduces the ability of enterprises to accumulate the funds they need by issuing new securities.

Conclusion:

As the variety of forms of financial relations grows, the role of modern stock markets increases and the need for economic and mathematical studies of transactions with securities grows.

The structure of a specialized expert system for specialists involved in investment activities in the stock market is presented, capable of working in conditions of incomplete information about the parameters of securities and market features, and the information can be both quantitative and qualitative in nature.

The main directions for further improvement of the expert system for analyzing transactions with securities can be identified as follows:

- identification of new categories of decision makers, depending on their attitude to risk when making investment decisions;

- the expert system should be expanded with means of collecting information about the management decision recommended by the expert system, allowing the formation of sections of the business plan for the implementation of this management decision.

References.

1. P. Borisov D. A. Expert assessment of portfolios of corporate securities, In collection. Current problems of modern management and economics. M.: INION RAS, 2001.
2. Burenin A. N. Market of securities and derivative financial instruments: Textbook / A. N. Burenin; Open Society Institute. – M.: Federative Book Trading Company, 1998 - 352 p.
3. Guseva I.A. Stocks and bonds market. Practical assignments for the course: textbook for universities / I.A. Guseva. – M.: Publishing house “Exam”, 2006 – 464 p.
4. Gurikova, G.V. Features of the development of exchange trading / G.V. Gurikova // Efficiency of the sphere of commodity circulation: collection. Proceedings Conf. – Minsk, 2018 – pp. 25-28.
5. Boslovyak, S.V. Corporate bonds in the investment banking system / S.V. Boslovyak // Bulletin of Polotsk State University. – Series. Economic and legal sciences. – 2018 - No. 13 – P. 95-99.
6. International Monetary Fund [Electronic resource]. – Access mode: <http://www.imf.org>. – Access date: 02/05/2019.
7. Sklyarenko I.A. Government securities as a form of public debt / I.A. Sklyarenko // Theoretical and practical aspects of modern science: materials of the international scientific and practical conference - M., 2018 - P. 171-174.
8. Мамажонов, А. Т., Юлдашев, Б., & Фозилжонов, И. С. (2016). ВЗАИМОСВЯЗЬ БУХГАЛТЕРСКОГО УЧЕТА И ЭКОНОМИКИ ПРЕДПРИЯТИЯ. ИННОВАЦИОННАЯ ДЕЯТЕЛЬНОСТЬ: теория и практика, (6), 17-21.
9. Юлдашев, Б. Т., Мамажонов, А. Т., Фозилжонов, И. С., & Одилов, Ш. Х. (2016). ОРГАНИЗАЦИЯ АУДИТА НЕМАТЕРИАЛЬНЫХ АКТИВОВ. Экономика, социология и право, (6), 44-46.
10. Мамажонов, А. Т., Юлдашев, Б., & Фозилжонов, И. С. (2016). ВЗАИМОСВЯЗЬ БУХГАЛТЕРСКОГО УЧЕТА И ЭКОНОМИКИ ПРЕДПРИЯТИЯ. ИННОВАЦИОННАЯ ДЕЯТЕЛЬНОСТЬ: теория и практика, (6), 17-21.
11. Мамажонов, А. Т., Фозилжонов, И. С., Хакимов, Ш. Т., & Исамов, С. М. (2016). Методика формирования затрат и распределения прибыли в фермерском хозяйстве в Узбекистане. Высшая школа, (1), 9-11.
12. Мамажанов, А. Т. (2012). Фермер хўжаликлариди ишлаб чиқариш харажатлари таҳлилини ахборот манбаси масалалари. Экономика и финансы (Узбекистан), (5), 68-73.
13. Turgunovich, M. A. (2023). THEORETICAL ASPECTS OF THE CONCEPTUAL BASIS OF FINANCIAL REPORTING AND PRESENTATION. Central Asian Journal of Theoretical and Applied Science, 4(4), 69-73.
14. Mamajonov, A. T., & Nosilov, A. A. (2023). Замонавий Таълим Ва Инновацион Технологиялар Соҳасидаги Илғор Хорижий Тажрибалар: Кейс-Стади. Academic Integrity and Lifelong Learning, 29-32.

15. Мамажонов, А. Т., Юлдашев, Б. Т., Фозилжонов, И. С., & Эркинбоев, М. Р. (2016). Вопросы оценки нематериальных активов и их классификация. Экономика, социология и право, (6), 22-26.
16. Turgunovich, M. A., Shodimukhamedovich, X. M., & Khasanaovich, K. K. (2022). IMPROVING THE ORGANIZATION OF MANAGEMENT ANALYSIS IN AGRICULTURE. International Journal of Early Childhood Special Education, 14(3).
17. Yuldashev, B. T., Shodimukhammedovich, H. M., Abduvosievich, M. T., & Oripovich, G. M. (2022). Organization of internal audit service in budget organizations based on foreign experience. NeuroQuantology, 20(12), 2585.
18. Нарзиев, Б. Д. (2022). ИТЛАРДА ОПЕРАЦИЯ ЖАРАЁНИДА УМУМИЙ ОФРИҚСИЗЛАНТИРИШНИ ҚЎЛЛАШ. BARQARORLIK VA YETAKSHI TADQIQOTLAR ONLAYN ILMIIY JURNALI, 2(1), 306-309.
19. Krasnoslobodtsev, N., Shapiro, E., Alyмова, T., & Kuharenko, N. (2020). Some etiopathogenetic features of dogs' breast tumors. In E3S Web of Conferences (Vol. 203, p. 01014). EDP Sciences.
20. Юлчиев, Ж. Б., & Мирсаидова, Р. Р. (2021). THE CHANGES OF BLOOD PARAMETERS IN CHEMICAL THERAPY OF BREAST TUMORS OF DOGS. Вестник Ветеринарии и Животноводства, 1(2).
21. Mirsaidova, R., & Abdullaev, S. (2021). Vaccinal function of pathogenic bacteria in chickens inactivated with antibiotics in immunoprophylaxis of salmonellosis in industrial poultry.
22. Юлчиев, Ж. Б., & Мирсаидова, Р. Р. (2021). THE CHANGES OF BLOOD PARAMETERS IN CHEMICAL THERAPY OF BREAST TUMORS OF DOGS. Вестник Ветеринарии и Животноводства, 1(2).
23. Yulchiev, J. B., & Mirsaidova, R. R. (2021). Chemical Therapy Method Of Breast Tumors In Dogs In Samarkand. The American Journal of Veterinary Sciences and Wildlife Discovery, 3(03), 15-18.
24. Mirsaidova, R. R. (2022). Physiological Changes in the Parameters of Chicken Crosses Dekalb White and Loman LSL. Eurasian Medical Research Periodical, 6, 197-200.
25. Юлдашева, М. К., & Нарзиев, Б. Д. (2021). YIRINGLI JAROHATLARNI XIRURGIK USULLARDA DAVOLASH. Вестник Ветеринарии и Животноводства, 1(2).
26. Нарзиев, Б. Д., & Юлчиев, Ж. Б. (2018). Диагностика и лечение опухолей молочной железы собак. In Современное состояние, традиции и инновационные технологии в развитии АПК (pp. 155-162).