

## ALL ABOUT FEATURES OF BUSINESS IN THE INVESTMENT AND CONSTRUCTION COMPLEX (FINANCIAL MANAGEMENT OF CONSTRUCTION COMPANIES)

**Kamalova Fotim Karim qizi**

Assistant of the Department of Design:  
Kamoliddin Behzod National Institute of Art and Design

---

### ABSTRACT

The article highlights the main business services for the training of specialists in the complex of construction and investment.

**Key words:** *income, management, factor, business, finance*

Why does financial management become the area of management activity which is critically important for solving the problems, facing enterprises in these days? To answer this question, let us consider the evolution of management, its content and objectives.

Throughout the 19<sup>th</sup> century, management was identical to production of management, that interconnected processes of creating marketable products. The main task of managers was to ensure the highest productivity of the expended resources, which led to the receipt of the maximum entrepreneurial income. This approach was consolidated in the works of the founders of management theories (classical school).

The next stage which began in 20<sup>th</sup> century, is a business management, that is the production process itself, moreover, areas of enterprise's activities that determine its position in the increasing complex market sphere are also includes the sphere of management.

Finally, the modern concept of management stands in the value approach to management, otherwise- in the value of management. Naturally, this is no longer the focus of the production process and its elements, but the process of generating cash flow. Managers of the modern enterprise are not mainly interested in technological redistributions and expected profits, but in the dynamics of the market value of the business and those costs that affect the total value of cash flow, generated by all types of enterprise activities.

It is important to note two points here:

Firstly, intangible assets begin to play an increasing role in maximizing cash flow, as well as the optimality of the enterprise's capital structure (including the ratio of equity and borrowed funds)

Secondly, there is a change in the priorities of various types of management. So, for instance, production management is leaving the focus since it is seen as providing in relation to financial management in the strategic plan, which plays a major role in shaping cash flow and regulating business value.

In view, the authors see their main task in the systematic presentation of financial management, disclosure of provisions which have practical interest for construction companies. In this regard, it is advisable to formulate the most important questions, the answers which will reveal the main aspects of a systematic approach to financial management.

Perhaps, the main question is how relevant the problem under consideration is today for enterprises of the investment and construction complex of Uzbekistan, are not all these problems premature. Indeed, the economic environment in which is the system of modern financial management was born and implemented is very different from our reality. This is manifested, in the actual absence of securities market, that is the main instrument for assessing the market value of a business.

At the same time, the formation of the financial market in our country is still taking place into account, new financial technologies are gradually being introduced into entrepreneurial practice. There is an objective regularity here: successful companies are the most interested in the implementation and use of financial management. Financial management is one of the main aspect which guarantees for maintaining success in the future.

On the other side, in real entrepreneurial activity, always occurs acquisitions such phenomena as mergers and etc. It is clear that all of them are directly related to the assessment of the business, the state of finances and other actions that are part of financial management. Moreover, an elementary retrospective analysis can prove the relevance of the implementation of financial management.

In a short period of time, a number of new financial structures appeared and began to operate quite successfully in Uzbekistan, which were previously presented to many foreign exotics (just remember mutual investment funds or mortgage banks). You can not think of any special logic of the Republic of Uzbekistan in the development of a market economy, this logic is same for all countries and it consists, among other thing, in the advanced formation of the financial infrastructure and financial management system.

The second question is dictated by the actual state of the investment and construction complex of Uzbekistan, all its components- technical, technological, organizational and personnel. The conclusion about the significant lag of all these components from the advanced modern level does not require a special justification.

We have already noted that overseas production management does not occupy a central position in management practice. However, this happens solely, because the production management system, the objects which are the components, are fully debugged, operate effectively and are guaranteed to be reproduced. In other words, there is a developed and solid basis of management activity, on which the superstructure of financial management is formed.

The situation in Uzbekistan is far from the same, perhaps is it necessary to focus on the problems of production management and proceed to solving the problems of financial management? This position is incorrect for two reasons. First of all, finance as a real factor in entrepreneurial activity always exists and its management is absolutely necessary. In addition it is impossible to solve the problems of production management in isolation from their financial support.

But this relationship has also a reverse side: the financial results achieved by the enterprise will always be limited by the level of technology, technology and organization of production, personnel training, as well as the quality of production management. As you know, you can not jump above your head, and possible "ceiling" of financial result is determined mainly by production characteristics. The inextricable connection between production and financial management cab be clearly demonstrated using the example of the depreciation policy of an enterprise. The difference between Uzbek and foreign companies are most noticeable.

In economically developed countries, the depreciation policy is implemented, one might say, being a stable source of self-financing for simple reproduction and the task of financial managers is to substantiate the most effective depreciation schemes for various types of assets. In Uzbekistan, everything related to depreciation as a financial resource has turned into a large-scale and extremely serious problem is that there are simply no effective methods to solve it (like the resource itself). It is clear that in such conditions, no management strategy can meet the criterion of sustainable development of an enterprise, expressed by an increase in the market value of a business.

In our opinion, the following specific characteristics of the investment and construction complex can be distinguished:

a) A high degree of dependence on borrowed funds, availability of their sources and the state of the financial market. By definition, none of the investment projects in the investment and construction complex of Uzbekistan is implemented at its own expense, therefore, the final financial results are always or another consequence of setting parameters of the financial market (as interest on loans and others).

b) The possibility of using finished commodity products as a financial asset (including long-term). The commercial products of the enterprises of the investment and construction complex are real estate with high liquidity. On the other side, this allows to resolve the issue of loan security and to have reliable financing guarantees. It is known that in Uzbek real estate market, there are problems with financing, however, they are in the institutional sphere. The attractiveness of residential real estate as a financial asset is clearly confirmed by the fact that 40 % of apartments in Tashkent are purchased not for their own residence, but to generate income through renting or speculative resale. In this regard, such urgent tasks of financial management arise as the assessment of the market value of the commodity product itself and its liquidity (including specific types and real estate) in order to optimize the used financial schemes.

c) The duration of the production cycle and the associated capital turnover. This leads to an objective complication of financial management and the financing conditions can change significantly. Furthermore, the situation on the real estate market, expressed by the ratio of supply and demand can change in a similar way. This will lead to a change the level of liquidity and an acceleration or declaration of the formation of cash flow. Due to the remoteness, within the sale of finished construction products which are one of the particular importance is, to solve such problems of financial management as the development of a system of benefits and discounts for the purchaser making an advance payment, as well as the formation of alternative pricing strategies. I would like to note that such an alternative as a reorientation from the norm to the mass of profit is practically absent for enterprises of the investment and construction complex, due to the impossibility of mobile and a significant increase in supply. E-ISSN NO:2349-0721

This means that the main efforts of financial managers should be focused on avoiding waste that worsen the parameters of cash flow.

For the successful implementation of the goals and objectives of modern financial management of construction enterprises in our society, we believe real estate market and the construction complex who are able to develop a business development strategy, a team of professionals and effectively use the latest business technologies.

Training of specialists under the MBA (Master of Business Administration) Program, carried out under the patronage of the heads of large investment, construction and development of Uzbek companies, who are experts of the program and to allocate leading specialists for conducting master classes, would be relevant.

In this case, it would be possible to combine theoretical training and practical exercises for the development of management skills (trainings, master classes, brainstorming, business games, analysis of specific situations from the practice of Uzbek and foreign companies. This would allow students to be in real time events and business processes in leading companies in the construction and real estate markets and to contribute the growths of professional competence.

## LITERATURE

1. N.G Verstina, Yu.Ya.Eleneva, Yu.N. Kulakov "Construction: finance and economics. Financial management in construction: what, why and how? ".- "Construction Economics ", №1 / 2005 from 22.04.2005.
2. <http://www.irn.ru/events/348.html>
3. [www.mirbis.ru](http://www.mirbis.ru)
4. [http://www.uran.ru/reports/usspe\\_c\\_2003/thesesofreports/t160.htm](http://www.uran.ru/reports/usspe_c_2003/thesesofreports/t160.htm)
5. [http://www.uran.ru/reports/usspe\\_c\\_2003/thesesofreports/t160.htm](http://www.uran.ru/reports/usspe_c_2003/thesesofreports/t160.htm)
6. Natalia Salienko "Construction quality" .- "Construction", No. 7-8 2006 dated 07.08.2006. ttp: [//www.stroi.ru/tsch/d937dr410321m4.html](http://www.stroi.ru/tsch/d937dr410321m4.html)

