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Evaluating the Financial Performance of Joint Stock Companies: A Comparative Study

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Abstract: *This article describes the economic importance of evaluating the financial management of joint-stock companies operating in Uzbekistan and the effect of the effectiveness of financial management on financial management. The article also examines macroeconomic aspects of evaluating financial management success, such as industry dynamics, technological advances, and global market trends. It was also emphasized the importance of applying a comprehensive strategy, taking into account internal and external elements affecting the financial performance of joint-stock companies. The presentation of ideas, views and proposals is aimed at improving the practice of managing corporate finance of joint-stock enterprises.*

Key words: *GDP, financing, corporate finance, profitability indicators, management efficiency, ROA, ROE, operational management.*

INTRODUCTION.

Joint-stock enterprises are important for ensuring efficiency, innovation and economic growth in the dynamic processes of the national economy. In order for joint-stock companies to operate competitively, stably and efficiently, their financial management plays an important role [1,2,3].

Improving joint-stock enterprises' financial efficiency, profitability, and stability requires effective liquidity management. Research highlights how important liquidity management is to fulfill commitments on schedule, affect company risk and return, and affect share prices [4,5].

Studies conducted on agricultural companies listed on the Nairobi Securities Exchange indicate that financial performance, especially Return on Investment (ROI), is positively correlated with liquidity management [6].

Furthermore, a positive correlation is shown when examining the relationship between profitability and liquidity in non-financial businesses, highlighting the significance of preserving sufficient cash levels for long-term solvency, particularly in times of economic crisis [7]. Moreover, the information support system for assessing financial resource management is emphasized as a crucial component in measuring the efficiency of joint-stock businesses' financial management organization [8,9,10].

Many studies have shown that effective financial management is essential to joint-stock enterprises' productivity. In order to assess these organizations' financial standing, stability, and management competitiveness, financial data analysis is essential [11,12]. Financial analysis facilitates a thorough evaluation of economic potential usage and is based on publicly available data and international standards, which helps with managerial decision-making and strategic planning [13].

The effectiveness of joint-stock businesses' financial management is directly related to the caliber of their financial management structure, and wise financial management choices are crucial for both present operations and long-term strategic planning [14]. Furthermore, it has been demonstrated that the makeup and traits of senior management, particularly the presence of women, have an effect on business performance, underscoring the interdependence of financial.

It includes the assessment of various financial indicators such as solvency, operating capacity, profitability, growth potential, efficiency, liquidity, indebtedness and profitability. By using tools such as financial statement analysis and ratio analysis, companies can identify their operations, identify problem areas, and make informed decisions to optimize their operations and increase competitiveness.

Literature Review.

The effectiveness of financial management of joint-stock companies has become a hot topic of many foreign and domestic scientists in recent years. Studies have shown that the efficiency of financial management of companies has provided positive changes to the dynamic changes in the macroeconomic indicators of the country.

Economists I. Chustkina, M. Herman, and Milan B. Mikhaylovich specifically state that maximizing share value, guaranteeing efficient use of financial resources, and boosting competitiveness are three ways that joint-stock companies' efficient financial management has been highlighted in the economy [15,16,17].

The economic efficiency of joint-stock businesses is attributed to the management of financial resources, sources, and relationships in order to optimize financial operations, make well-informed decisions, and secure funding, as indicated in the scientific works of economists Guzaliya Klychova and K. Satymbekova [18,19,20,21].

According to foreign scientist Stiglitz, J.E, effective financial management allows companies to balance personal interests with the needs of society, contributes to economic stability and development [22].

Zairi, M. asserts that companies can assess the efficacy of their financial relationships through the use of comprehensive financial analysis tools, resulting in cost reduction, higher profitability, and improved overall efficiency in financial operations [23]. In the end, sound financial management helps not just specific businesses but also the economy as a whole by fostering competitiveness, growth, and stability.

Joint-stock corporations are capable of making prudent management selections and guaranteeing sustained growth by using the outcomes of financial analysis on strategic development paths [24].

As a result, proficient financial management is essential for both daily business operations and maintaining long-term stability and market competitiveness. The effectiveness of joint-stock businesses' financial management is crucial to the country's economy, impacting both the stakeholders and broader socioeconomic processes [25,26,27,28].

It is impossible to overstate the significance of joint-stock enterprises' effective financial management to the national economy [29].

Effectiveness of Financial Management Effective financial management not only maximizes shareholder value but also fosters stakeholder trust, capital formation, efficiency, and economic development [30].

As agents of change and protectors of finite resources, joint-stock firms have a significant influence on the socioeconomic structure of nations. Consequently, in order to achieve sustainable growth and maintain a culture of prudent financial management in a global economy that is always changing, this must be done [31].

Research methodology.

The research employed a variety of techniques, including empirical analysis, The research employed a variety of techniques, including empirical analysis, grouping, comparison, retrospective and prospective analysis, and scientific abstraction. Using the method of scientific abstraction, the paper argued for the significance and necessity of optimizing financial operational needs in the growth of firms within the logistics system through efficient management of existing assets. Additionally, techniques for economic analysis of joint-stock businesses' financial management efficiency were used to construct emission models.

ANALYSIS AND RESULTS.

In our research, we used the data of the unified corporate information portal of the National Agency for Prospective Projects of the Republic of Uzbekistan to develop a financial performance analysis using the 2018-2022 balance sheet and financial results report of the Commodity Exchange JSC of the Republic of Uzbekistan, which is part of national joint-stock companies.

"Commodity Exchange of the Republic of Uzbekistan" JSC takes a strategic place in the economic processes of Uzbekistan, facilitates the exchange of goods, increases market liquidity and efficiency. As a national joint-stock company, it is under regulatory control and plays an important role in ensuring economic growth, promoting trade, and supporting the agricultural and industrial sectors.

Analysis of its financial performance and management practices provides valuable insights into the broader dynamics of the national economy and the effectiveness of corporate governance mechanisms.

On the basis of the balance sheet reports of the study, the financial situation of the Commodity Exchange, which provides detailed information about the assets, liabilities and shareholders' own funds for the specified period, is presented. These practices allow to assess the company's liquidity, solvency and capital structure, identify trends and potential financial areas.

Financial performance reports provide deeper insight into a company's operational performance, revenue generation, cost management, and profitability. By analyzing key financial indicators such as return on equity, debt-to-equity ratio, and profit margin, it plays an important role in evaluating a company's efficiency, profitability, and overall financial performance (see Table 1).

Table 1. Analysis of assets according to the balance sheet of the Commodity Exchange of the Republic of Uzbekistan JSC (in million soums)[1]

№	*Economic indicators*	*2018*	*2019*	*2020*	*2021*	*2022*	*2018-2022 growth dynamics in %*
1	Long-term assets	30 129	32 962	36 579	35 584	37 977	126,0
2	Stocks of goods	43	72	112	144	62	142,4
3	Accounts receivable	13 219	7 299	7 033	8 856	10 921	82,6
4	Total current assets	1197 117	1 591 387	1 715 272	2 582 346	4082187	341,0
5	Total assets	1 230 716	1 627 729	1 764 412	2 627 017	4 129 540	335,5

According to Table 1, the positive trend of the financial indicators of JSC "Commodity Exchange of the Republic of Uzbekistan" in the period from 2018 to 2022 is indicated. Below are analytical comments on each indicator.

126% increase in long-term assets: A significant increase in long-term assets indicated that the company invested in assets such as fixed assets or made long-term strategic investments. This indicates that the company is expanding its operations and investing in future development opportunities.

142.4% increase in inventory: The company actively builds inventory to meet growing demand or take advantage of favorable market conditions.

Total current assets increased by 341%: This could be due to factors such as increased cash reserves, higher accounts receivable or easier-to-sell inventory. A strong liquidity position is generally positive because it indicates a company's ability to meet its short-term obligations.

Total assets increased by 335.2%: The total increase in total assets reflects the combined effect of the increase in non-current assets and total current assets. This indicates solid growth in the company's asset base, indicating expansion and possibly an increase in market value.

Positive financial result with 82.6% reduction in accounts receivable:

A decrease in accounts receivable usually indicates that a company is more efficient in collecting payments from its customers. This may be due to improved credit management practices or reduced credit sales.

A decrease in accounts receivable combined with a positive financial result indicates that the company has succeeded in managing its accounts receivable, resulting in improved cash flow and profitability.

[1] It was developed independently by the author based on the information from https://new.openinfo.uz/

Also, during our research, we analyzed the profitability indicators of the Commodity Exchange of the Republic of Uzbekistan for 2018-2022 (see Table 2).

Table 2. Analysis of profitability indicators of "Commodity Exchange of the Republic of Uzbekistan JSC"[2]

№	*Financial indicators*	*2018*	*2019*	*2020*	*2021*	*2022*	*2018-2022 growth dynamics*
1	*Accounts Receivable Turnover*	0,48	1,30	1,75	2,06	2,30	478,9
2	*removal of goods material reserves*	84,15	54,27	48,21	47,58	140,40	166,9
3	*Total asset turnover*	0,017	0,019	0,023	0,023	0,020	117,9
4	*ROA ratio*	0,44	1,09	1,08	1,32	1,11	253,2
5	*ROE ratio*	11,37	21,34	12,43	31,35	35,22	309,8
6	*Fixed asset turnover*	0,70	0,96	1,12	1,71	2,20	313,87

From the data of Table 2, it can be seen that the Commodity Exchange of the Republic of Uzbekistan JSC recorded positive financial efficiency indicators in terms of profitability indicators. Positive financial performance with TMZ turnover of 166.9%, total assets turnover of 117.9%, ROA coefficient of 253.2%, ROE coefficient of 309.8% and fixed assets turnover of 313.87%. 'showed its sellers.

Below are analytical comments on each indicator.

Accounts Receivable Turnover Ratio 478.9%: Accounts Receivable Turnover Ratio measures how efficiently a company collects its receivables. A higher ratio indicates that the company collects payments from customers at a faster rate. A high turnover ratio is generally favorable because it offers efficient credit management and quick collection of payments, which improves cash flow and liquidity.

Goods material circulation reserve Turnover 166.9%: TMZ Turnover measures how efficiently a company uses its total market assets to generate revenue. A high turnover ratio indicates that the company is effectively using its market assets to generate sales. It suggests efficient utilization of assets and efficient management of resources.

Total Asset Turnover Ratio 117.9%: The Total Asset Turnover Ratio measures how efficiently a company uses its assets to generate revenue. A higher ratio indicates that the company is generating more revenue per unit of assets. It offers efficient asset management and productivity that can contribute to higher profitability.

ROA (return on assets) ratio is 253.2%: ROA measures the profitability of a company relative to its total assets. A high ROA indicates that the company is making more profit with its assets. It offers efficient use of assets to generate returns that are favorable to shareholders and investors.

[2] It was developed independently by the author based on the information from https://new.openinfo.uz/

ROE (return on equity) ratio is 309.8%: ROE measures the company's return on equity. A higher ROE indicates that the company is making more profit with its shareholders' investments. This is indicative of strong profitability and effective management of shareholders' funds.

Fixed Asset Turnover is 313.87%: The Fixed Asset Turnover Ratio measures how efficiently a company uses fixed assets (such as fixed assets) to generate revenue. A high turnover ratio indicates that the company is generating more revenue per unit of fixed assets. This shows the efficient use of fixed assets that contribute to high profitability.

"Commodity Exchange of the Republic of Uzbekistan JSC" experienced consistent improvement in its financial performance over the period analyzed, as reflected by its profitability indicators. Profitability indicators typically include metrics such as net profit margin, return on assets (ROA), and return on equity (ROE), among others. These metrics assess a company's ability to generate profit relative to its revenue, assets, and equity, respectively.

Overall, the steady growth in profitability indicators signifies that the "Commodity Exchange of the Republic of Uzbekistan JSC" has been successfully increasing its profitability and financial health over the period analyzed.

CONCLUSION.

According to the research, the following proposals and recommendations were developed as a result of the analyzes and conclusions on the development of the competitive strategy of textile enterprises in the national economy.

1. Development of strong competitive strategies increases the global competitiveness of textile enterprises. By applying advanced technologies, optimizing production processes and focusing on innovation, textile enterprises can produce high-quality products at competitive prices. This will increase export earnings, reduce the trade deficit and strengthen the global influence of the national economy. Attracting foreign investment, economic growth and technological transfer will lead to further incentives

2. Also, the positive financial performance indicators of the Commodity Exchange of the Republic of Uzbekistan for 2018-2022 show effective management of resources, strong profitability and effective use of assets. These indicators positively reflect the financial performance of the company and indicate its efficient operation.

3. A significant increase in long-term assets and inventories, positive turnover indicators (for example, total asset turnover and fixed asset turnover) indicate that the company is effectively managing its assets. It suggests smart investment decisions and efficient use of resources.

4. A significant increase in total current assets, along with a decrease in receivables, indicates improved liquidity and effective working capital management. This increases the company's ability to meet short-term obligations and pursue growth opportunities.

5. Positive profitability indicators such as ROA and ROE ratios reflect the company's ability to make a profit relative to its assets and capital. It suggests efficient use of resources to generate returns for shareholders, which indicates better financial results.

6. A high turnover ratio of receivables indicates effective methods of credit management, which leads to timely collection of receivables. This helps maintain a healthy cash flow and reduces the risk of bad debts.

7. A positive evaluation of the efficiency of the financial management of the Commodity Exchange of the Republic of Uzbekistan indicates strategic planning, effective allocation of resources and making rational financial decisions. These factors contribute to the company's ability to sustainably develop its operations, increase shareholder value, and maintain a competitive edge in the marketplace.

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