

**METHODS AND PRACTICES OF EFFECTIVE MANAGEMENT OF WORKING FUNDS IN A COMPANY***Xudayberganov Xudoysshukur Shokirjon ugli**Asian International University**Faculty of Economics and Pedagogy**70410102 - Master's student in Economics (by sectors and areas)*

**Abstract:** This article analyzes the interrelationship between financial stability and working capital (WC). WC reflects a company's ability to meet short-term obligations, directly impacting financial stability. The paper examines how effective WC management influences company profitability, the existence of an optimal WC level, and its impact on business operations. Studies indicate that both excessively high and low WC levels reduce a company's financial stability. Additionally, the article explores WC management strategies and their effects on the financial stability of firms at different stages of their lifecycle.

**Keywords:** Financial stability, working capital, liquidity, financial management, capital turnover, enterprise efficiency, asset management, profitability, economic stability.

**Аннотация:** В данной статье анализируется взаимосвязь между финансовой стабильностью и оборотным капиталом (ОК). ОК отражает способность компании выполнять краткосрочные обязательства, что непосредственно влияет на финансовую стабильность. Рассматривается, как эффективность управления ОК влияет на рентабельность компании, наличие оптимального уровня ОК и его воздействие на деятельность предприятия. Исследования показывают, что чрезмерно высокий или низкий уровень ОК снижает финансовую стабильность компании. Также анализируются стратегии управления ОК и их влияние на финансовую стабильность компаний на различных стадиях их развития.

**Ключевые слова:** Финансовая стабильность, оборотные средства, ликвидность, финансовый менеджмент, оборачиваемость капитала, эффективность предприятия, управление активами, рентабельность, экономическая устойчивость.

**Annotatsiya:** Mazkur maqola moliyaviy barqarorlik va aylanma mablag'lar (AM) o'rtasidagi o'zaro bog'liqlikni tahlil etadi. AM kompaniyaning qisqa muddatli majburiyatlarini bajarish qobiliyatini ko'rsatadi, bu esa moliyaviy barqarorlikka bevosita ta'sir qiladi. Maqolada AMni boshqarishning samaradorligi kompaniyaning rentabelligiga qanday ta'sir ko'rsatishi, optimal AM darajasining mavjudligi va uning korxona faoliyatiga ta'siri ko'rib chiqilgan. Tadqiqotlar shuni ko'rsatadiki, AMning haddan tashqari yuqori yoki past darajalari korxonaning moliyaviy barqarorligini pasaytiradi. Shuningdek, maqolada AMni boshqarish strategiyalarining turli bosqichlardagi korxonalarning moliyaviy barqarorligiga ta'siri ham tahlil qilingan.

**Kalit so'zlar:** Moliyaviy barqarorlik, aylanma mablag'lar, likvidlik, moliyaviy menejment, kapital aylanishi, korxona samaradorligi, aktivlarni boshqarish, rentabellik, iqtisodiy barqarorlik.

The concept of financial stability and its assessment criteria

Financial stability is the ability of an enterprise to conduct its activities without financial problems, to fulfill its debts and obligations on time, and to carry out investment activities. The financial stability of an enterprise can be assessed based on the following indicators:

Financial independence ratio (equity / total assets);

Short-term liquidity ratios;

Profitability levels (assets, net profit, return on capital).

A stable enterprise has a lower need for external financing and can continue its activities even during periods of economic instability.

## 2. The nature and composition of working capital

Working capital is the short-term assets of an enterprise that are in constant circulation during the production process. They include:

Cash and cash equivalents;

Accounts receivable;

Inventories (raw materials, finished products);

Prepaid expenses.

Working capital plays a key role in ensuring the liquidity of the enterprise. Their sufficient availability ensures the continuity of operational activities.

## 3. The relationship between working capital and financial stability

There is a direct relationship between working capital and financial stability. Insufficient working capital leads to a standstill of the production process, insolvency. On the contrary, an excessively large amount of working capital can turn into useless assets, which reduces profitability.

An optimal level of working capital provides the enterprise with the following advantages:

Reduces operational risks;

Increases solvency;

Reduces dependence on external financial resources;

Ensures financial stability.

#### 4. Working capital management strategies

Enterprises use various strategies to manage working capital:

Conservative strategy - emphasis is placed on safety, reserves are kept in large quantities, liquidity is high.

Aggressive strategy - operations are carried out with minimal reserves and short-term debt, profitability is high, but risk is also high.

Moderate strategy - a balanced approach, a balance is maintained between financial stability and profitability.

Depending on the chosen strategy, the financial performance of the enterprise may differ significantly.

#### 5. Practical recommendations

To ensure financial stability and effective use of working capital, it is recommended to take the following measures:

Regular monitoring of the level of AM;

Strict control over the receivables policy;

Optimization of reserves;

Cash flow planning;

Choosing an appropriate approach between aggressive and conservative strategies.

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