

**DIRECTIONS FOR IMPROVING THE DEVELOPMENT OF PRIVATE CAPITAL IN  
THE ENTERPRISE**

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**Annotation:** This article presents considerations on the essence of private capital. The need for effective management of private capital, diversification of its components and use of reinvestment mechanisms is substantiated. Also, based on national practice and international experience, directions for improving the development of private capital are put forward, including the expansion of authorized and additional capital, rational use of retained earnings, formation of reserve capital and strengthening corporate governance. The significant aspects of private capital in the development of the country's economy are analyzed.

**Keywords:** Private equity, authorized capital, additional capital, reserve capital, retained earnings, corporate governance, investment, market economy, investment, competition.

**Annotatsiya:** Ushbu maqolada xususiy kapitalning mazmun-mohiyati yuzasidan fikr mulohazalar keltirilgan. Xususiy kapitalni samarali boshqarish, uning tarkibiy qismlarini diversifikatsiya qilish va qayta investitsiya mexanizmlaridan foydalanish zaruriyati asoslab berilgan. Shuningdek, milliy amaliyot va xalqaro tajribalar asosida xususiy kapitalni rivojlantirishni takomillashtirish yo'nalishlari, jumladan, ustav va qo'shimcha kapitalni kengaytirish, taqsimlanmagan foydadan oqilona foydalanish, rezerv kapitalini shakllantirish va korporativ boshqaruvni mustahkamlash kabi takliflar ilgari surilgan. Xususiy kapitalning mamlakat iqtisodiyotini rivojlantirishdagi ahamiyatli jihatlari tahlil qilingan.

**Kalit so'zlar:** Xususiy kapital, ustav kapitali, qo'shimcha kapital, rezerv kapitali, taqsimlanmagan foyda, korporativ boshqaruv, investitsiya, bozor iqtisodiyoti, investisiya, raqobat.

**INTRODUCTION**

In today's world, in the context of ongoing globalization, the essence of the economic reforms being carried out in our country is aimed at being on a par with countries with developed economies. This, in turn, is a problem related to how effectively and quickly we can make up for the economic and technological development that has stalled for several decades. The skills of a planned economy that have been formed over the years are one of the biggest obstacles to the country joining the ranks of developed countries.

In the current highly competitive market economy, the sustainable operation of companies depends on the rational use of their resources. In this regard, increasing the amount of private capital in enterprises and its effective use is of great practical importance. The contribution of companies and enterprises to the country's GDP is a large part, and their activities cannot fail to affect the entire economy. The direction specifically indicated in the Strategy of Actions on the five priority areas of development of the Republic of Uzbekistan is called "Priority areas of economic development and liberalization", which envisages further expansion of privatization of state property and simplification of its procedures, reduction of state participation in the authorized funds of economic entities, creation of favorable conditions for the development of private entrepreneurship on the basis of privatized state property, introduction of modern standards and methods of corporate governance, strengthening the role of shareholders in the strategic management of enterprises. It would not be wrong to say that increasing the production

capacity of enterprises in the regions, supporting local enterprises, and ensuring their production efficiency lies precisely in increasing the volume of private capital of these enterprises and companies. Therefore, the effective use of financial resources in enterprises is of great importance.

#### LITERATURE REVIEW

In our country, many economists have conducted scientific research on the theoretical and practical aspects of private capital accounting and analysis of their use. Such economists A. Ibragimov, I. Ochilov, I. Koziev, N. Rizaev, A. Karimov, F. Islamov can be cited as examples. In addition, many foreign economists such as A. Zakharov, A. Alisenov, N. Kondakov, M. Melnik have also conducted scientific research on the theoretical and practical aspects of private capital accounting and analysis of their use.

#### METHODOLOGY

This article, which is devoted to the issue of the impact of private capital on the country's economy, uses analytical analysis, comparison, induction, and deduction methods.

#### DISCUSSION AND RESULTS

The most important goal of any enterprise organization is to make a profit. From this point of view, the result of any economic activity must necessarily ensure profitability and benefit. The main feature of today's planned market economy is that, unlike the planned economy of the socialist system, it opens up wide opportunities for each economic entity. The transition to a market economy, which began on the basis of fundamental changes in the system of administrative management or planning, forms and methods of organizing economic activity, and management, has allowed the subjects of action to establish themselves as owners of property and achievements in their own name, while increasing their enthusiasm and freedom for economic activity. The main goal of establishing and conducting production, commercial and entrepreneurial activities in conditions based on free market relations is to achieve high efficiency. Privatization, denationalization, and corporatization processes have emerged in a market economy and the potential of economic entities based on different forms of ownership is characterized by their private capital indicator. An economic entity that does not have sufficient private capital cannot continuously develop its activities and has a weak ability to withstand competition in the market. Therefore, having private capital and constantly increasing it is an important element that guarantees the development of any economic entity in a market economy. Private capital is of great importance in the current free market economy, as it indicates the level of power of the enterprise. Today, there are various forms of ownership in our republic, including state-owned enterprises, joint-stock companies, limited liability companies, joint ventures, and other enterprises.

What is private equity? Private equity is a form of risk capital (investment) that is provided outside of the open markets. For those looking to buy a business, revive a company, expand a business, or start their own business, private equity can be a great option. Private equity is primarily focused on generating capital gains. Essentially, investors buy a stake in a business, actively participate in the management of the business, and then profit from the increased value of the business by selling or publicizing it.

Equity is the remaining part of the assets of a business entity after deducting all liabilities, that is, the share of the owners of the enterprise in the assets of this enterprise. The economic essence of equity can be revealed through its functions. The functions of equity are: Long-term financing of economic activities; Responsibility for protecting the rights of creditors; Compensation for damage caused; Independence and ownership of property; Distribution of income and assets, etc.

As can be seen from its functions, private capital is the financial foundation of the enterprise. The main purpose of private capital accounting is to provide information users with information on the formation of private capital, related processes, and the state of private capital. In our country, private capital accounting is regulated by the Law of the Republic of Uzbekistan dated April 13, 2016 No. 404 "On Accounting", the Law of the Republic of Uzbekistan dated May 6, 2014 No. "On Joint-Stock Companies and Protection of Shareholders' Rights" and the Tax Code of the Republic of Uzbekistan in its new edition. One of the important issues in private capital accounting is the formation of authorized capital and its amount. According to the legislation of our country, the amount of the authorized capital of an enterprise is determined by the charter of the company.

The private equity account includes several indicators, which are organized in the following order:

Authorized capital;

Added capital;

Reserve capital;

Retained earnings;

Losses not covered by equity. The authorized capital of an enterprise is the basis of its own sources of funds. The authorized capital includes the contributions made by the founders and the nominal value of their shares. Its accounting is carried out on the basis of government resolutions and decisions adopted at the meeting of founders. In state organizations, the authorized capital reflects the property allocated by the state budget. At the time of receipt of the property, this amount is reflected in the authorized capital. Enterprises may, in accordance with the laws in force, form reserves from the profits they have made each year. Funds are deducted from it annually in the manner specified in the charter.

In joint-stock companies, the reserve capital is established at a level not less than 15% of the authorized capital. The established fund is used for the following purposes:

To compensate for the damages suffered;

To issue dividends on preferred shares if the company did not make a profit in the reporting year;

To make other payments.

Retained earnings indicate the net profit of the enterprise on its account. It is also one of the most important indicators included in the composition of private equity. However, operating enterprises may not always make a profit. In this case, their losses are called losses not covered by private equity. Both of these values are recorded in the "Retained earnings (uncovered losses)" account, and their difference is determined by the indicators.

Equity is one of the main factors determining the stability of an enterprise's activities, financial independence and investment attractiveness. Its correct and legal accounting increases the reliability of financial statements and becomes an important source of information for shareholders and investors in making the right decisions. The Republic of Uzbekistan has a sufficient legislative framework for accounting for equity. However, in practice, there are a number of problems with its correct application: confusion in the legislation, lack of qualifications, systems that are not fully aligned with international standards, and insufficient implementation of digital technologies.

There are two main sources of equity capital. The first source is the money initially invested in the company and other investments made in the company after the initial payment, and the second source is the income earned during the company's operations.

**CONCLUSION**

The following conclusions were drawn from this study: The main indicator of private capital is ensuring a stable financial position and reducing the risk of bankruptcy. Private capital is the basis of the freedom and independence of the economy. Especially in today's globalization environment, attracting private capital to finance economic infrastructure is very important for the economy of Uzbekistan. Full harmonization of national accounting standards with IFRS will increase investment confidence and strengthen international cooperation. Development of a regulatory legal act that specifically regulates private capital activities - for example, the "Instructions on the conduct of private capital accounting". Organization of regular seminars and online courses to improve the skills of accountants and financiers - especially for small businesses. Promotion of the introduction of digital accounting systems - will reduce human errors in accounting activities and increase financial transparency.

Given the limited public finances in most countries, introducing innovative measures to attract private sector capital is crucial to address the infrastructure financing gap in the region. At the same time, paying special attention to teaching private equity accounting in higher education institutions will be an important factor in training future professionals.

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