

Impact of Investment Activities on Enterprise Development Indicators

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Abstract

the article shows the development of the investment activity of the enterprise and its impact on the enterprise's development indicators, as well as the fact that the enterprise's development indicators directly depend on the criteria of the enterprise's efficiency.

Keywords: *innovative activity, development indicators, efficiency, social efficiency, labor efficiency, commercial efficiency, product quality, production volume.*

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The investment activity of the enterprise is effective when the results of the implementation of the investment project exceed the costs for a certain period of time. To make a decision on the implementation of the project, it is necessary to calculate the main indicators of the development of the enterprise before and after the implementation of the project. If there are several projects, it is necessary to calculate the indicators after the theoretical implementation of each project, and then, using the obtained values and comparative coefficients, it is necessary to determine the feasibility of introducing one or another investment project from the investment portfolio.

It follows that the company's development indicators directly depend on the efficiency criteria of the investment project. The direction (goals) of investment activity has a major impact on changes in the enterprise's activity. Based on the types of efficiency of investment projects, the main directions of investment activities and the corresponding changes in enterprise indicators are considered below. Thus, the study of the theoretical aspects of the evaluation of the efficiency of investments made it possible to determine that there can be several types of efficiency: commercial, budgetary, public, environmental, and others.

In order to achieve the efficiency of the enterprise, it is possible to implement investment projects aimed at increasing the quality of products, increasing the volume of production and reducing the cost of products. As the quality of the product improves, better materials are used, which leads to an increase in the price and cost of the product, and therefore to an increase in sales revenue. Net income may remain the same, but customer demand for the improved product may increase. As production expands, product costs should decrease due to economies of scale. The change in the volume of income and net profit depends on the decision of the enterprise to change or maintain the price. Labor productivity increases because the volume of production increases, and an increase in the average number of employees is not a necessary condition of direction. Increasing the production volume is achieved by reconfiguring existing equipment or purchasing new, more efficient equipment, creating additional jobs. The profitability of the products changes because the cost decreases and the profit increase.

Reducing the cost of the product is related to revision of the composition of the product, its materials, automation of production, and increase of production volume. Also, depending on the enterprise's decision on the price level, changes in net profit and sales revenue will occur in the direction of growth or decline. Other things being equal, material productivity should increase because material costs decrease. The direction of change in profitability will depend on the change in profit from product sales.

The development of new types of activities includes primary market analysis to determine the needs of customers for a new product, to determine the target market segment. This direction involves large capital investments, reconfiguration of existing equipment if it can be used in new production. The production of a new product in the market is closely related to the risk of inefficiency of capital investments, and the production of a product that is already in the market, but new to the enterprise, is less risky. Production volume varies depending on consumer demand. It refers to changes in sales revenue, production costs, net profit and profitability. Entering new trade markets will help the company gain greater share and strengthen its competitiveness.

The introduction of innovations allows the enterprise to achieve market leadership and maintain competitive advantages. Therefore, for the sustainable development of the enterprise, it is important to quickly respond to changes in the industrial environment, notice new ones and

implement them.[1]

Below we list the types of efficiency that help to achieve the development of the enterprise.

Social efficiency is achieved by creating new jobs, improving working conditions, and increasing the wages of employees. When creating new jobs, the cost of production increases, because the calculation item "wages" increases. It also increases labor productivity, and if it makes sense, you can increase production from it. This leads to changes in net profit and revenue from the sale of products, as well as changes in profitability indicators.

Commercial efficiency improves product quality; increases production volume, lowers production costs, and helps enter new markets.

Achieving budget efficiency is achieved through allocations to off-budget funds, as well as tax payments to different levels of budgets.

The improvement of working conditions affects the reduction of employee turnover in the enterprise, reduction of the number of defects, improvement of product quality, and increase of labor productivity. At the same time, depending on the improvement of working conditions, depreciation allowances will also change. High demands are placed on the level of knowledge of employees, staff turnover is reduced. However, at the same time, allocations to the state will increase, which is logical.

They emphasize the importance of investments in the field of production for an industrial enterprise. "The need for production investments is related to the replacement of depreciated fixed funds with new production funds, which is carried out by accumulating depreciation allowances and using them for the purchase of new equipment and modernization of production capacity. Expansion of operational activity is possible through new investments in production, improvement of machines and equipment and quality renewal. According to the authors, among the factors that hinder the development of enterprises, the limited investment opportunities for updating the production capacity take the leading place. Depreciation of fixed assets is five times higher than their recovery rate, which ultimately leads to complete obsolescence of funds. [2]

As a result, the authors came to the conclusion that in order to ensure a more sustainable development of the enterprise, the investment mechanism should be directed to targeted changes in the internal environment, taking into account future changes in the external environment. The main factors of success of this mechanism are: long-term perspective, balance of innovation, production and marketing activities, focus on providing competitive advantages, as well as innovativeness of implemented projects.

In the modern world, environmental impact plays an important role in determining the level of competitiveness of an enterprise in the market. Reducing harmful emissions reduces the cost of paying fines for harmful waste, which helps to reduce the cost of production and affects the amount of net profit and profitability of the product. With the use of modern environmental equipment, not only the profitability of fixed assets, but also depreciation increases.

Investment planning is the basis of management of the enterprise's investment activities. Implementation of real investment projects and programs, all investment decisions on investing funds in financial assets, as well as decisions on their financing are objectively interrelated, that is, they cannot be taken separately. Planning tools should be used to link these decisions.

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