

Financial Planning in Industrial Enterprises: Operating Budget

Nurov Z. S.¹, Jumayev B. R.²

Abstract: This article provides insights into the financial condition, budgeting, and financial planning of industrial enterprises. budgeting is done as part of operational planning. From the strategic goals of the company, budgets solve the problem of allocation of economic resources at the discretion of the organization. Budgeting provides selected quantitative accuracy prospects for a company's existence.

Key words: Modernization, economy, information, budgeting, enterprise, economic resources, organization.

Continuation of the process of large-scale reforms and modernization in the country requires strictness, timeliness, objectivity and accuracy of economic information in all processes of economic activity. Currently, the economic information obtained must fully meet the needs of internal and external users and be formed with the least amount of labor and time. Economic information should also serve as a necessary basis for effective management decisions in budgeting, forecasting, cost accounting and costing. Such issues serve as a basis for the establishment and development of the Management Account in the country. In this context, one of the most promising areas of accounting practice, the importance of management accounting, which is an important component of it, is growing exponentially. Therefore, management accounting should play a key role in the operational and forward-looking management of the enterprise, fully comply with the requirements of international standards, identify opportunities to manage costs and product costs, increase production efficiency.

An enterprise budget is one of the most important components of economic planning, which in turn is part of financial management. In fact, it is a specific type of planning, which is based on the principles and methods of budget execution, drafting, monitoring, evaluation and correction, presented in the form of a specific form of plans.

Budgeting - This is the process of planning the future activities of the enterprise, the results of which are formed by the budget system.

Typically, budgeting is done as part of operational planning. From the strategic goals of the company, budgets solve the problem of allocation of economic resources at the discretion of the organization. Budgeting provides selected quantitative accuracy prospects for a company's existence.

If we talk about the operating budgets of organizations, we can say that it consists of many interrelated sections, thus creating the operating budget, which is discussed in this article.

The following facts can be determined by setting an operating budget. For example, the entity's operating plan for the next period is quantified, and the entity's operating budget includes an income and expense plan for that current activity.

Because before an enterprise can achieve effective performance, it must rely on a budgeting process that is synchronized with the dynamics of business development. in today's world, it is a necessary factor for the sustainable and efficient functioning of an organization. The process of budgeting and approving is the most time-consuming and responsible part of the overall planning cycle in practice. A uniform budget system will be created so that the manager can control all areas of his enterprise. Thus, the manager has the ability to monitor the process both in different departments of the organization and in the enterprise as a whole. Effective management applies not only to individual enterprises, but also to the integration of different types of activities as a whole. This management is created only using a defined budget system.

If a company has career growth plans, then the growth of the budget system, which is expressed in the passage of certain stages, rather than in the growth of the company, is expected. This system helps to understand how this or that situation can develop at any stage of the enterprise development in the future, and thus predicts its next steps. According to many experts in this field, the introduction of budgeting is necessary for any enterprise seeking to develop in the market. Because this budgeting allows you to study the subsequent actions and results of the use of various resources available in the company to increase the overall efficiency of the enterprise.

In small companies, financial planning involves compiling an estimate of the company's revenue and expenses. This is a unique move because drawing up large estimates takes more time and slows down the production process if the enterprise is engaged in the production of a single product or if the turnover of the enterprise and its employees is small. This budget system, or rather its implementation, is more suitable for developing enterprises that plan to work more efficiently. The reason is that when an enterprise begins to grow, its cash flows increase with it, they are less managed, because profits do not have a single indicator, but begin to fluctuate within certain limits.

¹ PhD, senior teacher, Department of Economy Bukhara State university, Bukhara, Uzbekistan

² master student, Department of Economy Bukhara State university, Bukhara, Uzbekistan

As a rule, such a time comes when a company's revenue increases to \$ 1 million a year, or when the number of employees reaches more than 100 in the state.

The budget system has its place in the modern world. Based on the text above, we can conclude that budgeting works perfectly with all the consequences or does not work at all. Thus, almost none of the organizations have the opportunity to boast of an integrated budget system.

The main purpose of budgeting is to forecast the income and expenses of any organization looking to grow its business for the next period.

Planning, that is, the formation of goals and objectives, is carried out in each organization using a set of management technologies to achieve goals, monitor the implementation of these goals and objectives, as well as to correct goals and plans.

For an enterprise to operate effectively, it is necessary to implement the expected results of its activities and evaluate the financial component as a whole. Basically, this happens through a budget system and a budgeting system. Budgeting is a management technology for planning a company's next financial move, making optimal decisions to achieve goals and objectives.

It should be noted that budgeting was not a single ancillary element of the company, but several elements. Budgeting has many features that help the enterprise in various areas of activity, as well as in the enterprise as a whole:

- Assistant for Financial Management Technology;
- the process of developing budgets in accordance with the goals and objectives;
- resource allocation system between departments of the organization, etc.

As mentioned above, budgeting is an integral helper of an organization striving for growth. Thus, budgeting is one of the components of the financial management system, which is designed for the optimal allocation of resources of the business entity. The main purpose of the use of budgeting by enterprises is to achieve maximum financial results of the company with minimal costs for its implementation.

The operating budget itself contains a lot of information, i.e. information about the planned sales volume; price; and the expected revenue from this sale. This network of organizational budgets, the operating budget is much broader in terms of its data, which leads to the need to create a separate branch with its own market research, product baggage analysis, and so on. These tasks are, as a rule, assigned to the marketing department. In setting the operating budget, we can say that it is only a part of the total part of the total budget. It shows the next steps or activities for the next year for a particular segment of the organization or its function.

When considering the operating budget process, it is important to evaluate each component that makes up the budget. In a sales budget, the plan is determined by managers based on the findings examined by the marketing department. The sales budget has a major impact on the subsequent development of other budgets, which are mainly based on the data set in the sales budget. Thus, we can say with confidence that the sales budget is the main budget in the life of the enterprise. There are also factors that affect the sales budget.

The operating budget is only a part of the total general budget and reflects the operations planned for the future period, mainly in which the next year is the future period. This is done for a separate enterprise function and includes information about the upcoming planned sales budget.

An operating budget of an organization is a comparison of expenditure indicators with natural indicators, determination of effective ratios, and constraints that are usually applied in subsequent periods. The component of the operating budget is determined by the management of the enterprise based on the nature of the goals set by the organization, the nature of the business, as well as the level of technical and organizational readiness of the company.

In the process of developing the current budget, the format of the budget document is determined, the article on the article is analyzed, budget regulations are developed, the order of preparation and adoption of the budget is determined. As mentioned above, the main component of the operating budget is the sales budget.

An auxiliary method in the financial activities of the organization should be budgeting. Recently, this method is used by most of the large growing enterprises, which leads to efficient business, large sales, as well as minimal production and resource cost savings. As the demand for a budget finance management system grows, it is worthwhile to determine exactly what this is all about. Indicates the need to improve employee incentives in the first place to increase work efficiency. On the other hand, competition in the market is increasing, so it is necessary to reduce production costs and improve product quality. By adhering to these few points, an enterprise's efficiency and productivity will increase and become sustainable over time.

As for the operating budget, it has been proven that its main component is the sales budget. Therefore, in order to increase production, the main attention should be paid to this point, because the structure of the budget depends on the main subject of the budget, in which case the subject is the sales budget. The operating budget, together with the financial budget, forms the main budget, which is divided into all business functions and departments into the work plan of the whole company.

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