THE RATIO OF EXPENSES AND PROFITS ON THE EXAMPLE OF JOINT-STOCK COMPANIES

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Abstract*. During the pandemic, the market situation has become unstable and unpredictable. Many famous companies and corporations lost the opportunity to pay dividends to their shareholders, and after they declared bankruptcy, this situation confirmed the fact that it is necessary to analyze and audit profits and expenses. It is not enough to analyze profit only by growth dynamics, this indicator needs to be considered more carefully. In market conditions, the activity of each business entity is aimed at making a profit. The most detailed information about the profit can be provided by the statement of financial results, or the profit and loss statement. For a full study of this report, it is necessary to familiarize yourself with terms such as "profit" and financial result. To maintain the necessary level of profitability, there is an objective regularity of the normal functioning of an enterprise in a market economy. The systematic lack of profit and its unsatisfactory dynamics indicates the inefficiency and riskiness of the business – one of the main internal causes of bankruptcy. In order to manage profit, it is necessary to conduct an objective system analysis of the formation, distribution and use of profit, which will allow identifying reserves for its growth. Such an analysis is of interest to both internal and external entities, since profit growth determines the growth of the potential capabilities of the enterprise, increases the degree of its business activity, increases the income of the founders and owners characterizes the financial condition of the enterprise.*

This article discusses the concept of profit and expenses, their relationship. An analysis of the dynamics of profit in the period of five years was also made. The ratio of profit and expenses is analyzed on the example of joint-stock companies of the Republic of Uzbekistan. After determining the dynamics of profit and expenses for five years, the ratio of profit and expenses is determined, which shows that the growth of expenses increases equally with the growth of profits, for a more transparent analysis of this indicator, an analysis of profits and expenses of joint-stock companies was carried out.

Keywords: *Financial result, expenses of the period, other operating expenses, loss, profit, financial condition, bankruptcy, positive dynamics.*

Introduction. During the pandemic, the market situation has become unstable and unpredictable. Many famous companies and corporations lost the opportunity to pay dividends to their shareholders, and then declared bankruptcy, such as: Intelsat (Intelsat Company, the world's largest satellite operator), Pioneer Energy (a large American oilfield services company headquartered in San Antonio), Flybe (a British airline, one of the largest regional carriers in Europe), Virgin Australia (one of the largest airlines in Australia). This is the part of well-known companies that have declared bankruptcy, there are other companies that are trying in every possible way to stay on the market. The pandemic also scared off investors who invested, taking into account many factors, but not predicting such an outcome of events. It is now becoming clear that auditing and proper accounting of financial results can somehow help to navigate in unforeseen situations [1].

The Head of our government also pays an important role to this issue in the Decree of the President of the Republic of Uzbekistan No.4947 dated February 7, 2017 "On the strategy of actions for the further development of the Republic of Uzbekistan", the third direction is devoted to – "Development and liberalization of the economy", provides for ensuring the stability of the national currency and prices, the gradual introduction of modern market mechanisms of currency regulation, the expansion of the revenue base of local budgets, the expansion of foreign economic relations, the introduction of modern technologies for the production of export-oriented products and materials, the development of transport and logistics infrastructure, increasing investment attractiveness for the development of entrepreneurship and foreign investors, improving tax administration, the introduction of modern principles and mechanisms of banking regulation, the development of diversified farms, as well as the accelerated development of the tourism industry – all this is the main goal of private enterprises in a market economy.

Profit is the difference in the value of net assets at the end and at the beginning of the period, for a certain period of production activity, adjusted, if necessary, for the amounts withdrawn or added by the owners[2].

Profit or loss is the total amount of income less expenses, excluding components of other comprehensive income[3].

If we consider the definitions of profit according to the chronology of several years, then we can understand that today the concept of profit is a more extensive concept. If we consider the definition of profit by P. Heine in his book "Economic Way of Thinking" published in 1997, "Profit as an indicator calculated on specific accounting accounts based on specific accounting entries," then we can safely say that after the advent of foreign exchange and many innovations, it is sometimes even difficult to link profit and specific accounting. On the other hand, if we take the activity of joint-stock companies as the object of research, then this definition is always relevant[4].

Hendriksen E.S. argued that profit is the result of the use of capital for a certain time[5]. This point of view was announced more than twenty years ago, which is probably why it is very contradictory for the present times, since we understand that profit already has not a direct, but an indirect connection with capital, since there are a lot of levers affecting profit today, but if we consider the general theory of economics, then of course, the concept of Money-Commodity-Money' [6] is the basis of this statement.

Expenses make up the cost of production, the production cost of products (works, services) includes costs directly related to the production of products (works, services), due to the technology and organization of production. These include: direct and indirect material costs, direct and