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FINANCIAL RISKS MANAGEMENT IN ENTERPRISES

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Abstract

This article analyzes the financial risks encountered in the activities of enterprises and highlights the mechanisms for their identification, assessment and management. The types of financial risks - credit risk, liquidity risk, currency risk and interest rate risk - are considered, their negative impact on enterprises is considered, using factors such as credit risk, liquidity risk, currency risk and interest rate risk as an example. The importance of using financial risk reduction strategies and modern management methods is also revealed. At the end of the article, recommendations are given on financial risk management in Uzbek enterprises.

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Introduction

In a market economy, the role of financial management in ensuring the sustainable development and long-term competitiveness of any enterprise is invaluable. In particular, the identification, analysis and effective management of financial risks have become an integral part of the modern management system. Because financial risks directly affect the financial stability of the enterprise and can lead to significant financial losses due to improper management.

Financial risk is understood as the uncertainties and threats that may arise in the financial activities of an enterprise. They usually arise as a result of external economic factors (inflation, exchange rate fluctuations, interest rates) and internal factors (improper distribution of financial resources, increased debt burden, lack of liquidity). Among such risks, credit risk, liquidity risk, currency risk and interest rate risk stand out as the most common types.

In recent years, the reforms carried out in the economy of Uzbekistan have led to the liberalization of enterprise activities and the deepening of market mechanisms. This, coupled with the increased volatility of the financial environment, creates the need to apply modern approaches to risk management in enterprises. In this regard, it is of great importance to assess risks not only as threats, but also as new opportunities for the enterprise, and to take strategic measures against them.

This article provides a detailed overview of the main financial risks encountered in enterprises, their causes, consequences, and mechanisms for their effective management. It also provides scientific and practical recommendations based on modern risk management methods, international experience, and

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prospects for their application in the conditions of Uzbekistan.

Literature review

Financial risk management in enterprises is one of the topical areas that is widely discussed in economic theory and practice today. Various approaches, theoretical views and practical methods have been formed in the scientific literature on this topic, and their analysis serves to strengthen the theoretical foundations of this study.

At the international level, the works of such scientists as Peter Bernstein, Mervyn King, Charles Smithson, Michel Crouhy on financial risks and their management deserve special attention. In particular, the work of Michel Crouhy and co-authors “Risk Management” deeply covers the definition of risk types, measurement methods and strategies for their management. These works form the theoretical foundation of the modern concept of risk management.

Uzbek scientists on financial management - Kh. Kholmatov, I. Gulyamov, Sh. The scientific works of such researchers as Mullajonov, Z. Mukhitdinova, A. Isroilov contain important ideas on ensuring financial stability, risk analysis and strategic management in national enterprises. Their works analyze the basic principles of enterprise finance, the specifics of risk types and methods for their reduction.

Also, reports, statistical data and legislative documents published by the Ministry of Finance of the Republic of Uzbekistan, the Ministry of Economic Development and Poverty Reduction, the Central Bank of the Republic of Uzbekistan served as a practical source of research. In particular, the strategies and state programs adopted to ensure financial stability in enterprises served as an important basis for developing measures against financial risks.

In general, an analysis of the existing literature shows that although the theory of financial risk management has been sufficiently developed, their adaptation to the activities of Uzbek enterprises and the development of practical recommendations still remain an urgent issue. This article serves to fill this gap.

Methodology

In this study, modern scientific and methodological approaches were used to study the problems associated with identifying, assessing and managing financial risks in enterprises. The main methodological basis of the study was the methods of systematic analysis, comparative analysis, statistical analysis and expert assessment.

First of all, theoretical sources on the concept of financial risk and its types were analyzed. In particular, a classification of financial risks was developed based on scientific works, articles of foreign and domestic scientists and recommendations of international financial organizations. Statistical data was also used to study the current financial risk situations at Uzbek enterprises.

The following methods were used in the study:

- Systematic analysis - to analyze the causes of financial risks and their impact on the activities of the enterprise in an interdependent manner;
- Comparative analysis - to compare financial risk management practices in Uzbekistan and foreign countries;
- Statistical analysis - to determine the level of existing risks based on the financial statements of enterprises, credit load, liquidity indicators;
- Expert assessment – to develop practical recommendations based on the opinions of specialists working in the financial sector.

The study analyzed the financial situation of large and medium-sized enterprises operating in the

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economy of Uzbekistan. Through practical analysis, the main financial risks encountered by enterprises were identified and effective mechanisms for their management were developed.

The choice of methodological approaches served to ensure that the research was scientifically sound, practically useful, and the effectiveness of the proposals.

Analysis and results

The research conducted a comprehensive analysis of the financial condition of large and medium-sized enterprises operating in the Uzbek economy, their level of risk exposure, and practical approaches to financial risk management. Based on the data obtained, it was determined that the most common financial risks faced by enterprises are credit risk, liquidity risk, currency risk, and interest rate risk. In particular, the increase in debt burden, insolvency of trading partners, and fluctuations in exchange rates in foreign markets have a direct negative impact on the financial stability of enterprises.

Most enterprises use traditional methods to identify risks. In particular, analysis based on financial ratios, cash flow analysis, and short-term liquidity indicators are prioritized. However, modern analytical tools such as stress tests, scenario modeling, or Value at Risk (VAR), which are widely used in the practice of developed countries, have not yet been implemented in most local enterprises. This limits the ability to identify risks in advance and manage them effectively.

When it comes to risk management strategies, most enterprises currently use a reactive approach, that is, measures are taken to combat the problem after it has occurred. This increases the negative impact of risks and increases the likelihood of financial losses. At the same time, some advanced enterprises are preventing negative consequences by using insurance mechanisms, forming financial reserves and diversifying assets to reduce risks.

A study of international experience has shown that the importance of digital technologies, real-time monitoring systems and automated analysis tools in the effective management of financial risks is invaluable. However, the level of implementation of such technologies in Uzbek enterprises is still insufficient. Although modern management systems have been formed mainly in large enterprises with foreign investment, work in this area is lagging behind due to a lack of skills, financial resources and knowledge among local manufacturers.

The above analysis shows that systematic and comprehensive approaches to financial risk management are necessary in enterprises. Approaches should be developed that will allow risks to be perceived not only as financial threats, but also as strategically important factors that can be managed and transformed into new opportunities for enterprise development. This, in turn, will serve to strengthen the financial stability, investment attractiveness and long-term development strategies of enterprises.

Conclusion

The results of the study show that problems related to financial risks are becoming increasingly urgent in Uzbek enterprises. In particular, credit, liquidity, currency and interest rate risks directly affect the stability of the activities of enterprises. A thorough analysis of the causes of risks and their consequences revealed that many enterprises lack a systematic approach and modern methods for their effective management.

Most enterprises are limited to traditional analytical methods when assessing financial risks. The level of use of modern risk management tools - stress tests, scenario forecasting, digital monitoring systems and statistical modeling technologies - is low. This limits the ability to fully assess existing risks and foresee them. Therefore, the need to develop and implement strategies based on proactive risk management has become an urgent issue.

The analysis shows that by adapting advanced foreign experiences to national practice, it is possible to ensure financial stability, prevent financial losses and increase investment attractiveness. At the same

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time, training qualified specialists in the field of risk management in local enterprises, widespread use of information technologies and creation of a system of constant risk monitoring are important tasks.

In general, effective management of financial risks in enterprises is of great importance not only for ensuring financial stability, but also for increasing the competitiveness of general economic activity, rational use of resources and successful implementation of sustainable development strategies.

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