

ENSURING EFFECTIVE PERFORMANCE OF JOINT-STOCK COMPANIES THROUGH FINANCIAL MANAGEMENT

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Abstract

This article analyzes the theoretical foundations and practical aspects of financial management in joint-stock companies, emphasizing its impact on operational efficiency and profitability. Using data from the State Committee of the Republic of Uzbekistan, the study examines trends in net profit and return on assets (ROA) from 2020 to 2024. The research is grounded in classical financial management theories such as Modigliani–Miller and agency theory. The findings highlight the critical role of optimized capital structure, effective liquidity management, and risk mitigation strategies in ensuring long-term stability and competitiveness. Moreover, the discussion explores the necessity of transparent financial reporting and the implementation of digital tools for real-time decision-making. The study concludes that adopting strategic financial practices significantly contributes to the sustainable development of joint-stock companies in emerging markets like Uzbekistan.

Keywords

Financial management, joint-stock companies, capital structure, profitability, ROA, agency theory, corporate governance, Uzbekistan

Introduction

In a market economy, joint-stock companies (JSCs) are recognized as vital corporate entities that contribute to economic growth and social stability. The success of their operations is closely linked to the effective management of financial resources. Financial management involves planning, controlling, and analyzing financial flows to maximize returns. It plays a central role in shaping investment policies, optimizing costs, and enhancing profitability. This paper explores the theoretical principles and practical implications of financial management in JSCs, focusing on trends and outcomes in Uzbekistan.

Methods

This research employs a theoretical analysis methodology based on economic literature, international standards, and data from the State Committee of the Republic of Uzbekistan. Classical financial theories such as Modigliani–Miller and agency theory, along with corporate governance concepts, were applied. Graphical analysis was used to observe trends in net profit, asset efficiency, and dividend payments from 2020 to 2024.

Results

Financial management plays a critical role in joint-stock companies by ensuring the following:

1. Optimization of capital structure – balancing equity and debt to ensure financial stability.
2. Maintaining liquidity and solvency – effective management of cash flows for short-term obligations.

3. 3. Increasing profitability – using investment decisions to enhance company value.
4. 4. Risk management – analyzing and mitigating market, currency, and interest rate risks.

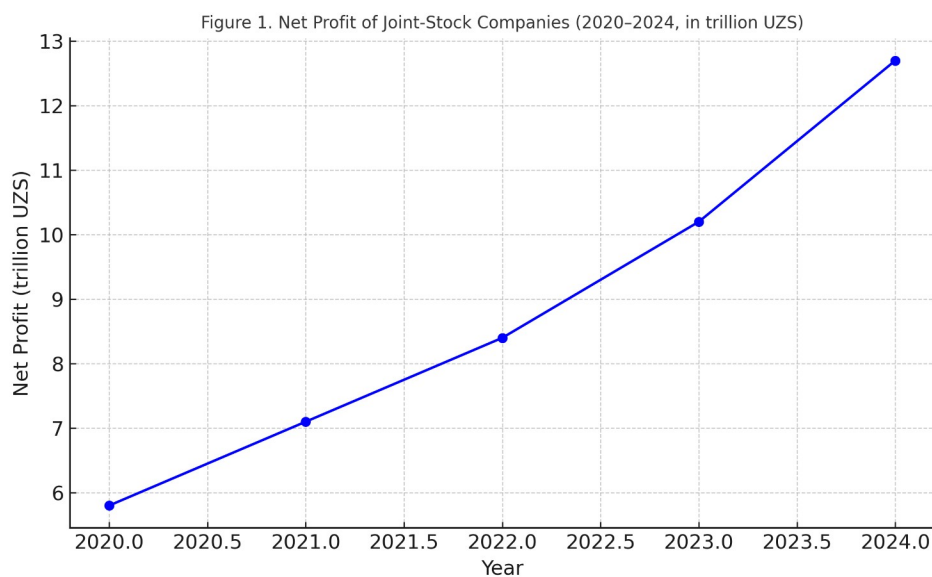


Figure 1. Net Profit of Joint-Stock Companies (2020–2024, in trillion UZS)

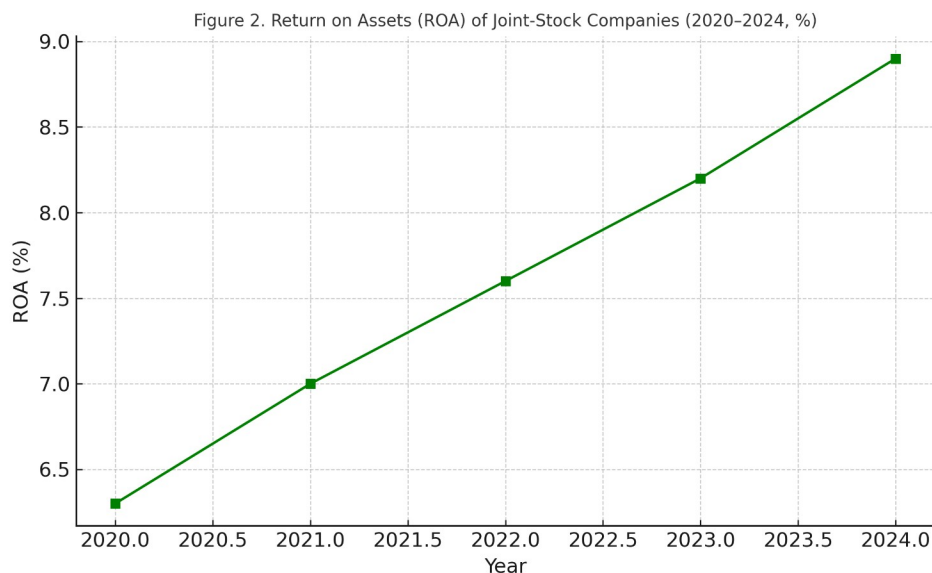


Figure 2. Return on Assets (ROA) of Joint-Stock Companies (2020–2024, %)

Discussion

The results suggest that a strong financial management system enhances both internal stability and stakeholder confidence in JSCs. According to agency theory, conflicts between managers and shareholders can reduce firm value. Mechanisms such as transparent reporting, performance-based incentives, and auditing systems help align interests. Strategic functions of financial management—investment analysis, dividend policy, and risk management—determine sustainable corporate growth. Digitalization supports automation and real-time analytics.

Conclusion

Efficient financial management in joint-stock companies positively impacts overall performance. A well-structured capital base, profitability, and robust risk management contribute to competitiveness and long-term

development. Uzbekistan should enhance financial management systems by integrating international standards and adopting innovative technologies.

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