

THE ROLE OF BANKING AND ACCOUNTING IN THE DEVELOPMENT OF SMALL BUSINESS AND ENTREPRENEURSHIP

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Abstract. *This article analyzes the role of banks in the development of small business and private entrepreneurship and the effective functioning of the accounting department. The main activities of small businesses and private entrepreneurship are closely linked with banks, which are engaged in the purchase of raw materials, production of goods, payment for services, wages, various categories of enterprises. , economic relations with companies and other legal entities, ie all types of payments for profits and income, transport, utilities through banks, respectively, loans and other settlements both through banks.*

Keywords: *small business, private entrepreneurship, accounting, auditing, banking, online banking system, raw materials, delivery, efficiency, development, economic growth*

As a result of the transition to a market economy, a new fiscal policy has been developed in the country and is being implemented in real life by the government. The beginning of every economic activity in the society develops and improves due to the close financial support of the state. In particular, special attention will be paid to increasing the role of banks in supporting small business and private entrepreneurship.

The main activities of small businesses and private entrepreneurship are closely linked with banks, which are engaged in the purchase of raw materials, manufactured goods, payment for services, wages, various categories of enterprises. , economic relations with firms and other legal entities, ie taxes on profits and income, transportation, all types of payments for utilities through banks, respectively, loans and other settlements both through banks.

It should be noted that before the independence of our country, the various economic relations with banks and banks were not very transparent. It is well known today that all the activities of small businesses and private enterprises, which are an important part of the global economy, are connected with banks. Therefore, in developed countries, such as the United States, the banking system is highly developed, and in the active economic activity of business, banks provide services to enterprises of all forms of ownership.

Today, there are 30 banks in the country, of which 3 are state-owned banks, 13 are joint-stock commercial banks, 9 are private banks, and 5 are banks with foreign capital.

The total current liquidity of the banking system is 10 times higher than the current liabilities of banks on external payments. In other words, strong protection of the banking system of the republic has been created. As a result of strengthening the banking system and increasing public confidence in it, the volume of deposits is growing significantly. Last year alone, the population's deposits increased 1.7 times.

Between 2017 and 2021, the income of the population increased more than 16 times. In recent years, the structure of banks' loan portfolios has changed dramatically. If in 2017, about 54% of the loan portfolio was formed due to external debt, in 2020, 84% of the total loan portfolio of our banks was formed from domestic sources.

In today's context, such a positive change is crucial for the future development of our economy.

It should be noted that foreign loans are often attracted for a long time, only to finance investment projects to modernize strategic sectors of the economy, to support small businesses and private entrepreneurship.

One of the important aspects of support of small business and private entrepreneurship by commercial banks is the measure of the President of the Republic of Uzbekistan dated November 10, 2018 No. 4051 to further expand the activities of the joint-stock commercial bank "Microcreditbank" to support business entities In accordance with the Decree "On measures":

- the maximum rate on preferential microcredits in the amount of 200 times the minimum wage for a period of up to 18 months to start a business from 5% to 3% per annum;

- 100 to 50 percent of the refinancing rate by the Central Bank on microcredits in the amount of 500 times the minimum wage for a period of up to 24 months to expand the activities of small businesses and replenish working capital;

- The maximum rate for preferential micro-leasing services for small businesses in the amount of 2,000 times the minimum wage for up to 3 years was reduced from 7% to 5% per annum.

The establishment of such significant incentives in lending leads to an increase in the demand for loans by the industry and, at the same time, the volume of loans provided to them from year to year.

The share of banks' loans for investment purposes in the total loan portfolio was about 70%, and the total volume of loans to the real sector of our economy in 2019 increased 14 times compared to 2000.

Over the past decade, domestic resources directed to lending to the real sector of the economy have increased more than 25 times. In 2019, the share of long-term loans in total bank loans was 78.3%.

From the above considerations, it is clear that the ongoing strengthening of the banking and financial sector of the country, the strengthening of financial support for economic reforms, provides a basis for comprehensive support of the real sector of the economy and sustainable economic growth. .

Banking operations consist of active and passive operations, and passive operations are aimed at mobilizing funds in a certain direction. Banks benefit from passive operations by mobilizing savings and temporarily idle funds. Active

operations are related to lending operations of various types and are classified according to the following elements:

- short-term, medium-term and long-term loans.
- Small, medium and large loans are issued to each client, taking into account their individual and financial capabilities;
- There are some types of loans that require a special guarantee and provide collateral.
- issuance of loans by type of government, commercial, international and other types.
- Issuance of loans to legal entities and individuals by type.

Loans for temporary use, consumption, debt repayment, export and import operations.

In today's market economy, small businesses and private entrepreneurs deal with a variety of banks. This process is more complex than the previous ones, as the previous processes were mainly characterized by the fact that the bank operated through enterprises. Due to the formation of entrepreneurial activity, banks mobilize their funds to carry out operations related to the activities of private property owners and small businesses.

The fact that entrepreneurs are given a lot of freedom in their transactions with banks is reflected in the fact that a private entrepreneur has the right to keep their funds in their accounts in various banks of Uzbekistan, to carry out credit and cash operations. Settlements can be made by transferring money in accordance with applicable laws and agreements in the relationship between banks and entrepreneurs. Banks guarantee the safekeeping of cash, securities and other important documents in the entrepreneur's account. Banks are required to carry out the following operations within 12-13 hours after the receipt of the order letter by the owner of the money in the transactions with entrepreneurs and customers.

Transfers to the account of property owners must be made within 4 working days in the city, 5 working days in the region, and 10 working days in the country. If the terms of this law are violated, the bank will pay a penalty to the customer at an

annual interest rate. The Bank carries out operations related to them at the request of customers. Banks notify entrepreneurs of changes in the rules and regulations introduced by the Central Bank of the Republic, in particular, changes in non-cash transactions on accounts. The bank pays the customer a penalty of 3% of the amount transferred for each day, as a culprit for late transfer, incorrect transfer of money. If the account is lost due to the fault of the bank, the customer will be fined 3% of the amount specified in the document for each day.

Lending operations between entrepreneurs and the bank are carried out on the basis of an agreement signed between the two parties. In order to successfully carry out operations, every entrepreneur must thoroughly study the laws of the Republic of Uzbekistan "On Banks and Banking".

It is well known that in a market economy, the life and economic activity of businesses are linked to foreign exchange transactions. Entrepreneurs have to conduct operations in both national and foreign currencies in foreign economic activity. In particular, foreign trade processes are directly related to foreign exchange transactions.

Currency transactions are carried out by comparing the exchange rates of the two countries at the exchange rate. In the international arena, the US dollar is accepted as the basis for currency quotes. Other currencies are pegged to the US dollar. The dollar will not last forever, it will fluctuate. This change can happen every day. Therefore, banks calculate the exchange rate at the time the bank starts or closes. There is a weekly press release on exchange rate fluctuations. This information is important in the economic activities of entrepreneurs. Credit, securities, and the purchase and sale of foreign currency for profit are the mainstays of foreign exchange transactions. In the process of doing business, private property owners can freely buy foreign currency, gaining the right to have a foreign currency account. Entrepreneurs also have the right to freely purchase currency to trade with foreign firms and entrepreneurs.

In general, the market economy creates legal opportunities for the movement of currencies of developed countries in the domestic market. Entrepreneurs will be able to effectively use their currency-related activities, purchase new equipment and modern technology in foreign currency, improve the quality of services in production and service enterprises, produce quality goods in the manufacturing sector and reap huge profits from its sale.

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