**TAJIK NATIONAL UNIVERSITY**

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**FINANCE**

**DUSHANBE – 2022**

**UDC:**

**BBK:**

The textbook consistently addresses the issues of the theory of financial science; the principles of the architectural design of the financial system of the state are stated; used scientific approaches in the presentation of educational material on tax topics; the characteristic of theoretical bases and modern structure of budgetary system of the state is given.

The section "Finance" is supplemented with modern information on the administrative and legal status of economic entities.

A distinctive feature of the textbook among publications of this class is the inclusion of the section "Personal Finance", which reveals the issues of organization and state regulation of the process of personal financial planning, as well as trends in the distribution of household disposable income.

The textbook is recommended for students majoring in Economics and Management, as well as practitioners in the financial and economic sphere.

**Resolution of the Methodological Council of the Tajik National University from == 01.2022 № ==**

**Reviewers:**

Umarov Kh.U. - Doctor of Economics, Professor

**Ibrahimzoda Ilhomiddin Rajabali, Sharipov Umarjon Akhtamovij, Finance. - Dushanbe: SINO, 2022. – 162 p.**

**CONDUCTION**

Finance is a fundamental category that forms the basis of all forms of financial relations. Historically, finance was considered in relation to the state: in ancient times - as a set of state resources, the state treasury belonging to the monarch. Over time, the definition of finance has changed. In this manual, the authors present the modern content of the main category of finance, including derivative categories of public, corporate and personal finance.

Such a division is due to the functional role performed by the subjects of relations. Thus, the state, acting as a subject of economic relations, is called upon to perform functions related to the provision of social guarantees in society and the continuity of reproduction processes in the national economy. The derivative category of corporate finance, based on profit maximization, performs the functions determined by the search for the most optimal capital structure: reinvestment of profits, attraction of borrowed funds, investments. The allocation of a derivative category of personal finance is due to the role of the population in financial relations, which, first of all, consists in consumption. Consumption as a special indicator, extremely sensitive to the conditions of external conditions - the cost of credit resources, the level and dynamics of prices and real incomes of citizens, the exchange rate of the national currency.

It is on the modern understanding of the essence of finance, based on the functional role of subjects in financial relations, that the theoretical and methodological structuring and interpretation of the textbook material is built.

This publication has been prepared in the context of current theoretical research, new practical aspects and legislative changes in the field of financial science and regulation of financial relations.

The textbook "Finance" reflects the modern theoretical, methodological and practical aspects of modern world and domestic finance. The authors paid attention to those features that are inherent in financial relations in a post-market economy; creation and transformation of financial institutions.

The development of the domestic financial system creates a need for qualified and competent personnel who understand the principles of financial relations and are able to make decisions in the interests of all their participants. Specialists in the field of finance are involved in the activities of financial and industrial holdings, commercial and special banks, investment funds, public authorities, including special services of controlling organizations.

**TOPIC1. ESSENCE, ROLE AND PURPOSE OF FINANCE.**

**1.1. The essence, functions and role of finance**

**1.2. The role of finance in the process of expanded reproduction**

**1.3. Finance functions**

**1.4. Interaction and relationship of finance with value categories price, wages, credit)**

**1.1. The essence, functions and role of finance**

Finance is an economic category, and any economic category expresses certain economic relations. Financial relationships have a number of features compared to other economic relationships: - monetary relations; - distribution relations; - associated with the formation and use of funds of funds of the state and economic entities. These features made it possible to distinguish financial relations from the general mass of economic relations. Finance is a set of economic relations reflecting the formation and use of funds in the course of their circulation. As a value category, finance expresses economic relations associated with the distribution of the social product and the formation of monetary incomes, funds allocated to meet the needs of business entities and the state. Finance covers only those economic relations that are associated with the formation and use of decentralized and centralized funds.

The concept of "finance" covers a vast area of economic relations associated with the formation and use of a centralized fund of state funds. Thus, the subject of financial science is economic relations associated with the distribution of the social product. The object of finance is - targeted monetary funds, income. The subjects of finance are enterprises, organizations, the population, the state.

The term finance comes from the Latin "finis" - end, finish, end of payment, settlement between the subjects of economic relations originally in ancient Rome between the population of the state). Later, the term was transformed "financia", used in a broad sense as a cash payment, and then as a set of revenues and expenditures of the state and any economic units, their complexes. The authorship of the term "finance" is attributed to the French scientist J. Boden, who in 1577 published the work "Six

Books about the Republic". The first author of the work on finance was Xenophon 430-365 BC) "On the Income of the Athenian Republic". Aristotle 384-322 BC) views in the field of finance set forth in the work "The Athenian State System". But not every monetary transaction is financial, since money mediates the movement of the entire value of a social product, which is carried out using different economic categories - price, wages, finance, credit, insurance, etc. In the hierarchy of social relations, monetary relations are related to economic relations, which, in turn, are included in production relations - a defining part of the system of social relations see Figure 1.1). It follows that financial relations are part of production relations, they are basic. To understand the essence of finance in the first case, it is possible to take as a starting point in the reproduction process as a whole or in the individual circulation of production assets of an individual economic entity - producer) the moment of cost sharing and the beginning of a relatively independent movement of its monetary form when selling manufactured products. At the same time, working capital funds, depreciation and other deductions for example, for social needs), a wage fund, and income are allocated.

**1.2 The role of finance in the process of expanded reproduction**

Finance is an integral part of monetary relations, their role and significance depend on the place that monetary relations occupy in economic relations. However, not all monetary relations express financial relations. Finance differs from money, both in content and in the functions performed. The main purpose of finance is to meet the needs of the state and the enterprise for funds through the formation of monetary incomes and funds. Finance is the link between the creation and use of national income. They affect production, distribution and consumption. Satisfying the needs associated with the development of production, the needs of the employee and his family, the finances of the enterprise and households serve the process of changing the form of value commodity, money). State finances serve the process on a national scale, ensuring the satisfaction of social needs defense, culture, education, management, etc.) and social protection of certain groups of the population unemployment benefits, pregnancy benefits, etc.). In addition to traditional functions, the state carries out the functions of regulating economic processes, since the aggregate social product across Kazakhstan) is redistributed through the republican budget. This makes it possible to systematically carry out reproduction processes, finance priority areas of the economy. Meanwhile, financing can be ineffective as a result of subjective volitional decisions.

The market economy has led to an increase in the role of finance. First, with the emergence of new economic entities, along with the traditional ones, new groups of financial relations arise. The relationships between the two are becoming more complex. Secondly, finance is becoming an independent sphere of monetary relations, acquiring some isolation. Money, as the material basis of finance, fulfilling the function of a medium of circulation, becomes capital, i.e. self-increasing cost. Third, there is a decrease in the role of finance at the micro level and an increase in the importance of finance at the macro level.

The country's transition to new economic relations caused a significant decline in production, unemployment, social and capitalist instability, inflation, etc. In these conditions, financial policy is unstable, some of it changes. At the same time, the following trends are emerging: financial resources are not concentrated. only in the budget, but also in other funds - pension, employment, health insurance; the budget is mainly replenished by taxes. The emphasis on tax has led to an even greater decline in production. There is a need to improve the tax system; financing of the national economy from the budget decreased from 60% to 12%, which indicates the non-interference of the state in the economy.

**1.3. Finance functions**

The essence of finance is manifested in their functions. Functions mean the work that finances do. Currently, the most recognized are 2 basic concepts of finance, distributive and reproduction. Supporters of the first concept believe that finances arise at the second stage of social reproduction - in the process of distributing the value of the social product in its monetary form. According to this concept, finance performs 2 functions - distribution and control. With the help of the distribution function, the weighted aggregate) social product and its most important part - the national income, as well as part of the national wealth - are distributed and redistributed. Distinguish between the primary distribution of the social product and the subsequent or redistribution.

During the primary distribution, from the total volume of the aggregate social product, a compensation fund material costs and depreciation deductions) and the newly created value - national income are allocated, the primary incomes of the production sector economic entities and their employees) are formed. Redistribution is the process of further part of the social product already collected in the budget by economic entities, both in the sectoral and in the territorial context for conducting expanded reproduction and consumption. That part of the state fund of funds, which is directed to expand production increase in production assets), is called the accumulation fund. Consequently, through the distribution function, finances satisfy certain social needs, which reflect the economic interests of the state, economic agents, through the formation of cash income and spending.

Thus, through the distribution function, the essence of finance as a category of distribution is revealed, economic relations associated with the movement of the aggregate social product, its constituent elements in monetary form are revealed, and conditions are created for the implementation of the social product in physical terms through purchase and sale. As a result, the economic interests of all participants in social production should be satisfied, taking into account the specific labor contribution and the degree of participation in social production. Representatives of the reproduction concept consider finance as a category of reproduction as a whole, and not as one distribution) stage. They argue that finance is a category of production, since it serves the circulation of production assets capital). Finance is a category of exchange, since during the exchange the process of distribution of the social product continues. Thus, supporters of the reproduction concept believe that finance is not a category of one stage, but of all reproduction as a whole, since all stages of social production are closely related to each other.

**Control function**

1. It should be noted that the control function is recognized by representatives of all concepts.

2. The control function is manifested in financial control, but these concepts cannot be identified.

3. The control function is an internal property of finance, and financial control is the practical use of the control function as an objective content inherent in finance.

3.The control function does not act in isolation, but in organic connection with other functions.

4. Among monetary relations, expressed in financial form, there is not a single one that would not be associated with control over the formation and use of financial resources, but there is also no financial relationship that would have only a control function.

**1.4. Interaction and relationship of finance with value categories price, wages, credit)**

Finances, mediating the creation of the gross social product and national income, interact with other value money) categories - price, credit, wages, insurance, etc. These money categories also participate in all stages of the reproduction cycle, but their measure and forms the participation is not the same. Each of these categories occupies its own special place in the system of reproductive relations, participating in the methods and methods inherent only in it in ensuring the movement of the social product and national income. In this case, finance comes into the redistributive process with its own methods: they withdraw part of the value for example, with the help of excise taxes, export or import taxes, customs duties) or transfer the lost part of the value through subventions subsidies), budgetary or industry financing. It should be borne in mind that the deviation of prices from value can be deliberately established by the state when pursuing a price policy regulated prices for government orders, for government purchases, socially low prices, prices determined by high demand - monopoly prices). In market conditions, free prices prevail, formed by the supply and demand of goods and services. Finance is closely related to wages.

The wage fund wage fund) in the sphere of material production is separated from the proceeds from the sale of products with the help of finance. This fund can be formed depending on the volume of products produced. If the category of income is used in economic practice, the wage fund is formed in closer connection with the achieved financial results. Gross income \*, as the difference between proceeds from sales of products and direct costs, absorbs savings on these costs and therefore is characterized as a complex financial concept that unites in monetary terms all the efforts of an economic body in terms of quantitative and qualitative results of activities.

The price factor is also present here: in the case of the sale of products of improved quality, both the savings in material costs and the relative savings in the use of fixed capital, acting in the form of a decrease in the share of depreciation charges attributable to a larger quantitative volume of production, increase profit or income. The interaction of finance with credit is manifested very closely. As in finance, in credit relations, monetary funds, called loan funds, are formed and used for the purposes of long-term and short-term lending to business entities, the population, and the state. The relationship between finance and credit is clearly seen in the processes of formation of financial and credit resources, where the action of both categories is mutually directed: with the help of finance, credit resources of banks are formed: funds of economic agencies, depreciation deductions, part of the proceeds from the sale of products to replenish working capital, which is not immediately sent to purchase material resources and other means. With the help of a loan, financial resources are formed: loans replenish the financial resources of economic agencies - until repayment; payments of banks to the budget from income based on the results of their activities and in a number of other cases; possible budget borrowing from banks to finance government spending.

Thus, a certain interchangeability of both categories in meeting the needs of expanded reproduction can be traced. At the same time, there are certain differences between the considered categories. If finance distributes and redistributes the social product, then credit participates only in redistribution, continuing the distribution begun by finance. The object of the loan is only that part of the cost that is currently temporarily free, which allows it to be accumulated in a loan fund to meet the needs of economic agencies and the population in need of funds.

**Questions to strengthen the theme:**

1. Financial history. The socio-economic concept of finance;

2. Finance is found when the economic concept

3. List the first phoronies that discuss the financial issues

4. List financial relations between enterprises and financial systems;

5. Which parts are the centralized and unified structures?

6. Phase of finance;

7. What is the basis of money.

8. explain the tasks of finance.

9. explain the essence of the functioning task of finance.

10. What is the need and importance of financial control?

***Addressing on the topic 1:***

**1. A set of economic relations that arise in actual cash flows during founded, distribution and use of financial resources:**

a) national income; b) insurance funds; c) credit relations; d) finance.

**2. Finance:**

a) includes iќtisodiest relations, process, distribution and use of centralized monetary funds and targeted public funds;

b) a set of monetary relations is about creating funds xosdoşta purpose;

c) puliest portfolio funds, which are legal entities and individuals. d) includes iќtisodiest relations, process, distribution and use of centralized funds and monetary ѓajrimarkazonidaşudaro.

**3. What are the main source of economic and financial resources in the period of feudalism?**

a) handicraft enterprises; b) customs duties; c) credit transactions; d) labor krepostnoї farmers.

**4. Finance represents an economic category of the following approaches:**

a) planned to organize and use of monetary funds, economic resources; b) the creation, distribution and use of cash; c) in the circulation of money resources;

d) the establishment and use of loan funds.

**5. Part of the gross domestic product, after assets rўjpўşkunii, masoleњњo, labor and ѓajraњoe instruments that are used in the production process, what will be called:**

a) fixed; b) undistributed profits; c) the national income; d) gross income.

**6. A set of economic relations between the state and the real and legal persons to arise, which is what is called as a creditor, debtor and kafolatdiњanda:**

a) public debt; b) the money market; c) public finance; d) Foreign Verner.

**7. Public Finance and municipal enterprise, finance, finance household farms, as well as set up a system of linkages between what they are:**

a) tavozunњo system; b) the financial system; c) takroristeњsolї system; d) relations inventory system - money.

**8. ѓajrimarkazonidaşudaro Funds of funds account for the following:**

a) accumulation fund; b) the consumer's Fund; c) monetary funds of economic entities; d) state budget

9. centralized monetary funds include the following:

a) finance companies; b) domestic farm finance; c) targeted public funds; d) the insurance fund;

**10. What are the financial relations:**

a) only the establishment of the monetary resources at the macro level;

b) takroristeњsolotro process in mikroiќtisod and makroiќtisod levels; c) only needs funds means concentrated; d) costs only commercial enterprises and organizations.

***Addressing on topic 1.***

**Question 1.**

If in 2017, the total value of goods sold and services amounted to 30,050 mln. Somoni, the cost of selling goods sold mln. somoni, payments under credit obligations amounted to 1,850 mln. somoni, the cost of intercourse liabilities is 750 mln. Somoni and the flow of money flow is estimated to 7.2, and the necessary currency is determined as a means of transactions and payment tool.

**Cali:** Is calculated from the following formula.

Ау-Q+Пq-Ub

**Mn= ----------------------------**

**Cгп**

Using the formula is in circulation, taking into account the functions of money as circulation and payment tool (MP).

 Ау-Q+Пq-Ub 30050-1300+1850-750

**Mn= -------------------------- = ---------------------------------** = 4145,8 million Somoni Sg 7,2

**Issue 2.**

The total value of goods sold and services in 2018 amounted to 36,60 mln. Somoni, the cost of selling goods sold mln. somoni, payments on credit obligations is 2,871 million US dollars. somoni, the cost of intercoversy is 1232 mln. Somoni and the exchange rate of money supply is estimated at 8.1 and determine the required amount of money in transactions and a means of payment.

**Issue 3.**

If the GDP and the amount of money (M2) is made in 2007,800 million. Somoni and 2,550 mln. Somoni, in 2009,060 million. somoni and 4,70 mln. Somoni, in 2011, 30 050 mln. somoni and 7,00 mln. Somoni, the obstacle coefficient (payment of CPC) should be defined during these years.

**Cali:** Use the formula to determine the mizmasion of the GDP industrial

In the year 2007 *Кп = =* 0,20;

In the year 2009 *Кп =*  = 0,21;

In the year 2011 *Кп =*  = 0,24.

**Issue 4.**

If GDP and the amount of money (M2), in 2017, 63,800 mln. Somoni and 42 mln. Somoni, in 2018, 69,620 mln. Somoni and 48,80 mln. Somoni, in 2019, 78 050 mln. Somoni and 63,10 mln. Somoni, the obstacles of the obstacles (Support CP) is determined this year.

**CHAPTER 2. FINANCIAL SYSTEM ITS ELEMENTS AND THEIR RELATIONSHIP**

**2.1. The essence and structure of the financial system.**

**2.2. Characteristics of the links of the financial system.**

**2.3. Financial system of the Republic of Tatarstan and its structure.**

**2.1. The essence and structure of the financial system.**

*Financial financial policy*

*and confidence in all times*

 *is a key factor in the state sustainability.*

***Emomali Rahmon***

The financial system is a set of blocks, links, sub-links of financial relations. The concept of "financial system" encompasses the totality of relations on the basis of which the corresponding funds of funds are formed and used, as well as the bodies organizing these relations. The term "system" means a set of elements in relationships and connections that form a certain integrity, unity. In addition to the functional criterion for the classification of the financial system, a classification is applied based on the subjects of finance participating in financial relations), which makes it possible to differentiate the financial system by links.

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Finance is a system of economic relations expressing the processes of formation, distribution and use of funds, expansion of their expanded reproduction.

A financial system is a set of financial relationships operated using financial resources through international financial institutions.2

The system of financial relations includes possible links:

Budgets of various levels;

Social, property and personal insurance funds;

Foreign exchange reserves of the state;

Cash funds of enterprises, organizations and firms;

Other special funds of the fund.

Through the financial mechanism, the state forms investment funds that are used to perform various functions in the economic, social and political spheres.

In the system of produced relations, they function through financing, covering the impact on economic processes, and are also a mechanism for the formation of the economic interests of enterprises (firms, individual regions).

Finance, as an economic category of profitable proposals, the use of resources in the process of distribution, redistribution and use of financial resources to ensure high benefits. The totality of financial relations arising from the formation and expenditure of financial resources forms financial relations.

Understand that financial relations are their integral part. If we are talking about the coverage of all major relations related to the implementation of financial transactions related to the management of financial resources, production and non-production purposes.

Financial relations are not related to relations related to commodity and money circulation in retail trade; with payment for profits, household, communal, entertainment and popular services, with the movement of money when they are donated and inherited.

The system of financial relations includes:

relations that develop between enterprises as agricultural enterprises. They consist in mutual obligations for obligations and buyers, in relation to fines provided for their violation, material rewards for compliance with customer requirements, etc.;

Relations between forms and enterprises. They cover the system of payments in the state budget, contributions to various funds and organizations of the sectoral and territorial levels;

monetary relations between enterprises and the banking system arising from the receipt and repayment of loans;

Relationships that develop within enterprises;

firstly, between the enterprise as a whole and its structural divisions;

secondly, between the enterprise and employees on wages;

relations between private taxes of different levels of government regarding the distribution of differential rent, financing of environmental protection measures, etc.;

monetary assistance between the population and the population regarding the receipt of benefits and benefits from consumption expenditures, etc.

**2.2. Characteristics of the links of the financial system.**

Finance expresses economic relations arising in the process of distribution, the formation of cash income and savings from business entities and the state. Finances as an element of social reproduction are necessary for enterprises, organizations, and the state management system. With the help of finance, the circulation of production assets is provided on an expanded basis, the sectoral and territorial structure of the economy is regulated, innovation activity is stimulated, the introduction of scientific and technological achievements and other social needs are satisfied. Consequently, financial relations are generated by social needs. The presence of different social needs of business entities and the state leads to the emergence of a variety of financial relations. The classification and grouping of financial relations are carried out depending on the nature of the activities of the subjects, which has a decisive influence on the composition and purpose of targeted monetary funds. When classifying financial relations from the totality of financial relations in some textbooks, the following three strengthened subsystems are distinguished: state and municipal finance, finance of business entities and households. In other textbooks, three major spheres of financial relations are distinguished: finance of enterprises, societies and institutions they mediate the process of production of goods and provision of services); insurance, state and local finance. All links of financial relations form a financial system that are interconnected. However, most scientists refer to the links of the financial system: public finance, finance of enterprises, institutions and organizations, insurance, etc.

The financial system represents a set of different spheres links) of financial relations, each of which is characterized by peculiarities in the formation and use of the fund of funds, a different role in social reproduction. The financial system of the Russian Federation includes the following links of financial relations: - the state budget system: - off-budget special funds; - government loan; - property and personal insurance funds: - finance of enterprises of various forms of ownership. Centralized finance or public finance includes: the state budget, extra-budgetary special funds, state credit, and property and personal insurance funds. And the financial relations of enterprises are referred to as decentralized finance, which is used to regulate and stimulate the economy. The presence of different social needs of business entities and the state leads to the emergence of a variety of financial relations.

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All links of financial relations form a financial system that are interconnected. However, most scientists refer to the links of the financial system: public finance, finance of enterprises, institutions and organizations, insurance, etc. The financial system represents a set of different spheres links) of financial relations, each of which is characterized by peculiarities in the formation and use of the fund of funds, a different role in social reproduction.

**2.3. Financial system of the Republic of Tatarstan and its structure.**

In the Republic of Tajikistan, the Law of the Republic of Tajikistan "On Public Finance of the Republic of Tajikistan" dated June 28, 2002, which defines the links of the financial system, was adopted. The state financial system of the Republic of Tajikistan consists of the following financial relations: - system of the state budget; - state debt; - state trust funds. In accordance with the Law of the Republic of Tajikistan "On public finances of the Republic of Tajikistan" 2011, the legal framework, organizational principles of public finance management, budget systematization and its classification, preparation, formation, distribution and use of centralized funds are determined, and regulates financial inter-budgetary relations. Public finance is a set of monetary relations associated with the formation, distribution and use of the fund, accumulated funds through the republican budget, local budgets and state trust funds used by public authorities and public administration, local authorities to perform the functions assigned to them. The central leading link in the public finance system belongs to the state budget. The state uses the budget as one of the main instruments for ensuring its activities, for state regulation of the economy and for carrying out social policy. The state budget is a centralized fund of funds.

The Law of the Republic of Tajikistan "On Public Finance of the Republic of Tajikistan" establishes the place of state and local authorities and other participants in the process in the preparation, consideration of draft budgets, approval, control over their implementation and responsibility. The state budget is the main financial plan of the state, which is approved by the Majlisi Namoyandagon Majilisi Oli of the Republic of Tajikistan as a law. Through the state budget, the state concentrates a significant share of the national income to finance sectors of the economy, finance social and cultural measures to strengthen the country's defense and management. The next important link in the financial system is off-budget trust funds. Off-budget funds are forms of redistribution and use of funds of funds attracted by states to finance them through the payment of pensions, benefits, subsidies and financing of social infrastructure.

The extra-budgetary fund includes; state insurance fund, pension funds, social security fund, employment fund, health insurance fund, etc. The Law of the Republic of Tajikistan "On State Finance of the Republic of Tajikistan" allocates targeted state funds, the source of which is extra-budgetary funds. Targeted state funds are funds of monetary funds formed in accordance with the legislation of the Republic of Tajikistan at the expense of income or in the form of deductions from specific types of income, which are used for the implementation of a particular purpose. One of the main links of the financial system is government credit. State credit means that the state usually acts as the borrower, and the population, enterprises and organizations are the lenders.

The state issues loans, treasury bills, bonds that are placed among the population, enterprises, organizations, etc. State credit is included in the financial system, although credit relations differ from financial ones. But due to the fact that this type of loan is aimed at covering the budget deficit, as well as ensuring the sustainability of public finances, settlements on it are carried out at the expense of budget funds - this sub-link can be considered as belonging to both the financial and credit systems. The funds are placed at the disposal of the state and used to cover the budget deficit.

The functioning of public credit leads to the formation of public debt. Public debt represents the total amount of issued and outstanding debt obligations of the government, including the accrued interest that must be paid on this obligation. The financial system includes the insurance sector, the fund of which is formed at the expense of contributions from participants in insurance relations, intended to compensate for damage caused by natural forces to business entities and the population in the event of insured events or in the event of insured events. In the field of industry relations, insurance has branches and types of insurance. So, insurance in the industry is: social insurance, personal and property insurance, liability insurance, insurance of business risks, etc. The basis of a unified financial system is the finances of enterprises in various sectors of the economy. The finances of enterprises and organizations, depending on the sectoral focus, are subdivided into: industrial finance, agricultural finance, financial.

Finance of transport organizations, finance of trade organizations, etc. And depending on the forms of ownership of the enterprise there are: finances of state enterprises, joint-stock companies, private and commercial enterprises. The finances of economic entities in the sphere of material production constitute the basis of finance, they are the initial link of the financial system, since a real product is created in material production - the main source of society's financial resources. The second link - the finances of economic entities has two relatively independent sub-links: the finances of economic entities in the sphere of material production real sector); finances of organizations and institutions in the sectors of the non-production sphere. Finances of non-production sectors include the following components:

1) finance of housing and communal services;

2) finance of consumer services for the population;

3) finance of passenger transport;

4) finance of a number of industries communications, etc. in terms of non-production activities);

5) finances of health care and physical education;

6) education finance;

7) finance of culture and art;

8) finance of science and scientific services;

9) finances of public organizations;

10) finance of banking and credit and insurance organizations;

11) finance of commercial and intermediary organizations;

12) finances of governing bodies;

13) defense finance; In the first sub-link - the finance of the production sphere, the tasks of the formation and effective use of decentralized funds of funds in manufacturing companies, firms, corporations, and other forms of organizations of economic activity are solved, as well as the centralization of funds in the target and reserve funds of the higher bodies of the named economic entities. The finances of this sub-unit serve production activities, provide an active influence of financial levers on the growth of labor productivity, on improving the efficiency of other quality indicators of production. The finances of the population households) are a kind of part of the financial system. The population citizens) enters into relations with their monetary funds with the national financial system and economic entities of the production and non-production spheres of all forms of ownership In a market economy, an enterprise operates on a commercial basis on the principles of self-financing and self-sufficiency. The main goal of the activities of enterprises is to make a profit, to cover expenses from their own income and to form an accumulation fund and a consumption fund.

1. All links of the financial system are interconnected diagram). The totality of centralized and decentralized funds of funds inherent in the links of financial relations make up the second part of the financial system The construction of the financial system is based on the following principles: Combination of centralism and democracy in the organization of the financial system; this is manifested in the fact that with centralized leadership from the state financial authorities, at the same time, large rights and independence are granted to local financial authorities and economic entities.

2. Observance of national and regional interests. The requirements of this principle are designed to ensure national equality in financial relations, as well as a socially acceptable level of regional development. Its expression in the construction of the financial system is the correspondence of the structure of state financial bodies to the national-state and administrative-territorial structure. Each region, district and city has a corresponding apparatus of financial bodies. In the lower structures, there may be no special financial bodies, then their functions are performed by the apparatus of the local administration. This principle is of particular importance in multinational states with a federal structure. 3. The principle of the unity of the financial system is predetermined by a unified financial policy pursued by the state through the central financial bodies, by common goals facing all financial bodies. Management of all links of finance is based on uniform basic legislative and regulatory acts. The principle of the unity of the financial system finds its concrete embodiment in the system of interconnection of financial plans and balances developed at all levels of economic management. 4. The principle of the functional purpose of the individual constituent elements of the financial system is expressed in the fact that each link of finance solves its own problems. A special financial apparatus corresponds to it. The organization of work on the formation and use of state budget resources is carried out by the Ministry of Finance and the Ministry of State Revenues.

**Questions to strengthen the theme of 2:**

1. What is financial policies?

2. List the main tasks of financial policy.

3. Explain the essence of the financial strategy.

4. What's the financial tactics?

5. Explain the goals and directions of the main financial policy of the Republic of Tajikistan.

6. Who determines the main directions of the financial policy of the Republic of Tajikistan?

7. Which elements are the public financial policy of the public policy?

8. What indicators determine the effectiveness of the state budget policy?

9. What modern principles of the organization of a national tax system use the national tax system?

10. What are the purpose of customs policy purposes?

11. List the main goals of the business policy of enterprises.

12. What historical policies are different?

13. List in classical financial policy.

14. explain the essence of the regulated financial policy.

15. explain the main points of the new conservative strategy (Najonservantism).

16. What is a financial mechanism?

17. What elements are the financial mechanism for?

18. What types of mechanism is different? Explain their essence.

19. What are the functions of financial management?

20. What financial management methods differ?

***Addressing the tests on the theme 2:***

**1. The financial policy:**

a) authorized state bodies monitor the effective use of financial resources of the country;

c) specific and targeted activities in the country asosnokkardaşudai state legislation, related to the collection, allocation and efficient use of funds to ensure implementation of the state functions;

c) process, allocation and efficient use of cash;

g) specific and targeted activities in the country asosnokkardaşudai state legislation on the part of the income and expenditures of the state budget.

**2. Depending on the duration of the allocation period and set tasks for the financial policy to the group?**

a) financial strategy:

b) financial plan;

c) moljavї mechanism;

d) financial instrument.

**3. What is the main objective of fiscal policy?**

a) with funds to provide programs carried out by private enterprises;

b) establishes the procedure for the allocation and efficient use of financial resources;

c) more focused on the budget funds to aќiʙmondai sectors of the economy of the country;

d) achieve financial sustainability of businesses and family farms.

**4. Financial Strategy:**

a) kўtoњmўњlatest program that defines the main directions of tax and budget policy for the current year;

b) a financial plan that defines the state's revenues and expenditures in the period up to 1 year;

c) long-term and mijonamўњlatest program areas that the use of certain funds, resolution-dependent forecast major issues of economic and social policy of the country;

g) include a financial plan, process, distribution and use of funds of the state budget for the current year.

**5. financial tactics:**

a) program, which aims and objectives of the use of financial resources in the current period or concrete.

b) long-term and mijonamўњlatest program areas that the use of certain funds, resolution-dependent forecast major issues of economic and social policy of the country;

c) State Program on social-economic development of the country in the current year;

d) Long-term financial program of the enterprises.

**6. The following different types of financial policy:**

a) cross-;

b) regional;

c) non-governmental organizations;

d) the interstate.

**7. One of the elements of financial policy of the state is:**

a) the budget policy;

b) export and import policies;

c) economic policy;

d) external trade policy.

**8. One of the objectives of financial policy of the enterprise is:**

a) reduce the volume of production and sales;

b) refusal to deal with competitors in the market;

c) the increasingly higher costs;

g) to the final profit.

**9. Historically different forms of the following financial policy:**

a) Fiscal;

b) regulated;

c) progressive;

d) administrative.

**10. What form of fiscal policy in the current conditions is typical for the country?**

a) klassikї;

b) planned direktivї;

c) a regulated;

d) Fiscal.

**11. Depending on the level of regulation of financial relations by the financial mechanism of the state divided into the following types:**

(a) direktivї instructive, farmonї);

b) budget;

c) klassikї;

d) tax.

**12. Financial Management will perform the following tasks:**

a) planning;

b) ensure that part of the income of local budgets;

c) peşgўikunii amount of spending on domestic farms for the future;

d) the implementation of fiscal policy.

**13. What is the main function of financial management?**

a) peşgўikunii planning and financial aspects of the activities of the enterprise;

b) the implementation of part of the income of the state budget;

c) Develop a plan of income and finance costs of domestic services;

d) monitor the implementation of the state budget expenditures.

**Solve the issues on the theme 2.**

**Question 1.**

If the amount of money in the transactions amounted to 7,025 million somoni. Somoni and the monetary database amounted to 1,652 mln. Somoni is equivalent to the value of the monetary minority

**Cal: The following formula** *Пм=* Using the value of the money multiple

*Пм =*  = 4,25

**Issue 2.**

Example, if the cost of consumer basket at the end of this year, it is 6,550 somoni and at the end of the consumer price index. Based on the basis of the consumer price index, inflation is determined by the inflation rate.

|  |  |  |  |
| --- | --- | --- | --- |
| №п/п | *Consumer price index*In the year 2009г. | *Consumer price index*In the year 2010 | *Consumer price index*In the year 2011 |
|  | 107,1 | 112,5 | 119,7 |

**Cal:** We calculate the consumer price index to use the formula

*CPI* = • 100% = 108,7%

Formula (8) to determine the inflation rate:

In the year 2010

*h* = • 100% = • 100% = 5,04%;

In the year 2011

*h* = • 100% = • 100% = 6,22%.

**CHAPTER 3. FINANCIAL POLICY AND FINANCIAL MECHANISM**

**3.1. The essence and significance of financial policy.**

**3.2. Types of financial policies.**

**3.3. Goals, objectives and principles of financial policy.**

**3.4. Content and structure of the financial mechanism**

**3.1. The essence and significance of financial policy**

Financial policy is a set of measures and intentions given by the state in the field of finance to carry out its functions and tasks. Financial policy is an integral part of economic policy. In the system of materialist dialectics, financial policy refers to the superstructure, which it expresses, which are basic - acting as part of production relations of a certain socio-economic formation. Financial policy, like economic policy, is generally developed by the state based on the requirements of economic laws the law of supply and demand, the law of value, the law of elevation of needs, etc.). In real life, financial policy is implemented through a financial mechanism.

The financial mechanism is a system of types, forms and methods of organization, planning and financial management. Through the financial mechanism, financial relations are managed for the formation and use of targeted funds of funds and savings for the implementation of state programs for economic and social development. The financial policy of the state is divided into financial strategy and financial tactics. A financial strategy is a long-term course that provides for the solution of large-scale problems of the economy and social development of society. Financial tactics is a short-term course that concretizes strategic attitudes and is aimed at solving urgent problems, imbalances and deviations in the country's finances and economy.

**3.2. Types of financial policies**

An analysis of the financial policy used by various states allows us to distinguish four of its main types: classical, regulatory, planning-directive, modern. Until the end of the 1920s, the main type of financial policy in most countries was its classic version. This financial policy was based on the works of the classics of political economy A. Smith 1723-1790) and D. Ricardo 1772-1823) and their followers. Its main direction is non-interference of the state in the economy, the preservation of free competition, the use of the face-to-face mechanism as the main regulator of economic processes. The consequence of this was the limitation of government spending and taxes, the provision of conditions for the formation and use of an equilibrium balanced) budget. The basis of the regulatory financial policy was initially based on the economic theory of the English economist J.M. Keynes 1883-1946) and his followers. They proceeded from the necessity and regulation by the state of the cyclical development of the economy. Financial policy, along with its traditional tasks, began to use the financial mechanism to regulate the economy and social relations in order to ensure full employment of the population. The tax system under the conditions of regulatory financial policy is changing dramatically. Income tax using progressive rates is becoming the main regulatory mechanism. Planned and directive financial policy is applied in countries using a planned system of economic management.

The main state ownership of the means of production allows for direct effective management of all spheres of the economy and social life, including finance. The goal of financial policy in these conditions is to ensure the maximum concentration of financial resources from the state primarily from the central authorities and administration) for their subsequent redistribution in accordance with the main directions of the state plan. The basis of modern financial policy is the recognition of freedom of entrepreneurial activity, the introduction of various forms of management, the privatization of state property and the transition to a mixed economy based on a skillful combination of private and state economic entities. A fundamentally new financial mechanism is being developed on the basis.

The state refuses directive management of intra-economic relations at enterprises and transfers their relations from the budget to a tax basis, which puts a barrier to arbitrary withdrawal of income.

**3.3. Content, goals, objectives and principles of financial policy**

The content of the financial policy of the state is the systematic organization of finance, taking into account the operation of economic laws and in accordance with the objectives of the development of society. The goal of financial policy in Tajikistan is to develop measures and their implementation through a financial mechanism to ensure economic growth based on industrial and innovative development, structural restructuring of the national economy, enhancing foreign economic activity by integrating the country's economy into the world economy, as well as uninterrupted and increasing financing of social programs. Financial policy and financial mechanism must ensure social protection of the population in market processes from inflation, unemployment, loss of income. Financial policy objectives are:

Providing conditions for creating the most possible amount of financial resources based on the characteristics of each specific stage of the country's development. Establishment of rational distribution and use of financial resources from the point of view of the state. Development of a financial mechanism and its development in accordance with the changing goals and objectives of the strategy. In carrying out financial policy, it is important to implement the following principles of financial policy: Compliance with the interests of all participants in social production, social, national and professional groups in the preparation, approval and execution of budgets, forecasts and plans based on the actual availability of financial resources;

1.Ensuring the systematic organization of financial relations;

2. Balance of income and expenses in all areas and links of the financial system;

3. Creation of financial reserves;

4. Optimal distribution of financial resources between the state and business entities.

**3.4. Content and structure of the financial mechanism.**

Each economic category has its own specifics, which manifests itself through certain types, forms and methods of expressing the corresponding relations. It is these concepts - types, forms and methods of realization of relations - that act in economic life as a tool, a mechanism for managing the corresponding processes.

Finance, as a specific distribution category, participates in the distribution and redistribution of the created product of the created product through the formation and use of various targeted funds of funds. Therefore, the mechanism used in this process is the types, firms and methods of expressing financial relations associated with the formation and use of monetary income and funds. The term mechanism has a technical origin and in the economic sense means a means by which something can be put into action, to induce a certain activity. In this sense, the term is used in management, and its essence is related to the content of the influence of the managing subject on the controlled object, determined by the tasks of economic, including financial policy. The financial mechanism, like the economic mechanism as a whole, has an internal structure inherent in it.

To characterize it, it is advisable to use such concepts of system analysis as a subsystem, block, element, defined as links of the financial mechanism. The subsystem of the financial mechanism represents the most essential driving forces of the financial mechanism - financial planning, financial levers and incentives, the organizational structure and legal regime of the financial system, the organization of financial management. The financial mechanism can be viewed from the organizational and management aspect. For this, such concepts of system analysis as a subsystem, block, element, defined as links of the financial mechanism, are used.

The subsystem of the financial mechanism represents the most essential driving forces of the financial mechanism - financial planning, financial levers and incentives, organizational structure and legal regime of the financial system, management organization. A block of a financial mechanism is a set of homogeneous interconnected elements, united on the basis of a common target orientation. An element of the financial mechanism is the simplest economic form through which the interests of participants in social production are manifested in specific ways.

**Questions to strengthen the topic 3:**

1. What is the financial system?

2. Come the structure of the financial system of the Republic of Tajikistan.

3. The essence of the financing of enterprises.

4. The concept of public finance.

5. Insurance Classification.

6. State-budget classification.

7. The essence of the public debt.

8. What bodies are the main administrator of the financial system of the Republic of Tajikistan.

9. The appointment of the state funds of the state.

10. What is the central position in finance relations.

**Testing on topics 3:**

**1. be budget-based tools that provide grant funding costs are called \_\_\_\_\_\_\_\_\_\_\_\_\_.**

a) subsidies b) suʙventsija c) d) transfer credits

**2. To enter the state Finance:**

a public debt) b) c) charity funds of the state budget, budget family farms d) budgetary funds

**3. The process does \_\_\_\_\_\_\_\_\_\_\_\_- teams in over budget**

a) implementation of the budget b) consideration of the budget c) statistical report on the family budget d) preparing the draft budget

**4. In the event of approval of the state budget with kasraş (defitsit) leads to**

a) an increase in government debt to RT budget b) increase the level of taxation c) a decrease in local currency resources RT d) an increase in government debt

**5. Budget tools, irrigated and free of charge for another, free of basis to cover current delays, while lacking its own revenues - this**

a) b) c) subsidies compensation subsidies d) loans

**6. Funds monetary means, that for the constitutional rights of citizens have been appointed in the pension, Social Protection and medical assistance:**

a) centralized state insurance b) the redistribution of social d) centralized system

**7. Mechanism to reduce monthly costs is called in all parts of the budget during the remaining time of the current financial year ............**

a) defitsit b) shall be issued c) subsidies kardaşudag) sekvestor

**8. set budgets in the country taşkiljoʙiњoi administrative - territorial ships which of these systems.**

a) the financial system budget b) c) d) of the monetary system of taxation loan system

**9. them against any income referred between groups and layers of society \_\_\_\_\_\_\_\_\_\_\_\_\_**

a) regulatory b) c) allocation of fiscal d) insurance

**10. The main financial plan and the state has a legal basis:**

a) Tax Code b) strong finance RT) RT state budget d) şaњrvndii Code

**11. The main stocks monetary funds, which have been compiled in the form of a new financial plan for the collection, distribution and use of funds, will be adopted and implemented in the form of this law:**

a) b) Finance, called the state budget astv) credit system is called d) banking system

**12. Which of these functions is not doxl to the state budget:**

a) redistribution of the collection of domestic income products; b) stabilization of public production; c) implementation of social policy; d) more investments

**13. The main reasons for the emergence of budget deficit are as follows:**

a) a decrease in revenues in gaining the slow pace of the economic crisis and a set of internal growth and national income products; b) a reduction in the payment of direct taxes, inefficient economic policies; c) the increase in budget expenditure;

d) all of the answers are valid.

**14. The main reasons for the emergence of budget deficit are not included:**

a) a decrease in revenues in gaining the slow pace of the economic crisis and a set of internal growth and national income products; b) a reduction in the payment of direct taxes, inefficient economic policies; c) the increase in budget expenditure; d) the publication of securities of government securities, the strengthening of the tax system.

**15. Which of the following can not participate in the budget process:**

a) the President of the Republic, budget organizations, the only state-owned enterprises and local authorities; b) the legislative bodies, executive bodies; c) monetary authorities’ debt and currency regulation, local authorities; d) assasiatsijai National President of the valuation of securities

**16. The budget process includes the following:**

a) preparation of the budget, the revision of the budget;

b) approval of the budget, the implementation of the budget

c) transfer of funds in budget

d) answers a) and b) is correct

**17. In the budget process the following are not included:**

a) preparation of the budget, the revision of the budget;

b) approval of the budget,

c) implementation of the budget

d) transfer of funds in budget

**Issues on topic 3**

**The issue of 1**

GDP In 2009, 20,600 million US dollars, tax incomes of the state budget. Somoni and in 2010, in 2010, 24,700 mln. Somoni and 4 450.8 mln. somoni. Increasing or decrease in the share of the state budget revenues in GDP in 2010 to be determined compared to 2009.

Solution: identify the ratio of the tax income of the state budget in 2009 and 2010. In 2009, the ratio of tax incomes of the state budget against GDP ·100% = 17,96% -to forms.

The ratio of tax revenues of the state budget against GDP in 2010 ·100% = 18,02% - to forms.

Since then, the proportion of tax incomes of the state budget against GDP in 2010 compared to 0.06% (18.02 - 17.96).

Azizbati Company has calculated salaries to the workers for April for April 35780 somoni. The Social Payment rate is 25%. The amount of the social tax is determined to the festivation.

Cali: 35780=100%

Х=25%

35780\*0,25=8945 somoni

Response: The amount of social tax to 8945 somoni.

**The issue of 2**

Use the following information to determine 20 billion milgrock, the amount of the employment (4.01 and the number of retailed funds to 5.01 and the number of retailed funds to 5.01 and the number of retailed funds to 0.01 and the number of pensions for the fut in 0.01 and the number of pensions.

Cali:

**Response:** The efficiency of labor is equal to 5000 somoni.

**CHAPTER 4: FINANCIAL PLANNING AND FORECASTING Lecture plan:**

**4.1. The essence of financial planning and forecasting.**

**4.2. Principles and methods of financial planning.**

**4.3. The system of financial plans.**

**4.4. The main directions of improving financial planning.**

**4.1. The essence of financial planning and forecasting**

Financial planning is a subsystem of the financial mechanism. Financial planning is an integral part of economic and social planning. The specificity of financial planning is that it is carried out in the form of money, due to the relative independence of the movement of funds in relation to the material elements of production, the active influence mediated by money. This includes the following components, covering the lower levels and their higher bodies: finances of industrial economic entities of industry; finance of agricultural business entities;

**4.2. Financial planning principles and methods**

Financial planning is based on the following essential principles: a combination of centralized and decentralized approaches. This principle means combining centralized financial planning with local financial planning. This allows the state to pursue a unified financial policy. And the principle of unity means the relationship and interdependence of financial planning with economic and social planning. Financial plans are based on the indicators of plans and forecasts of economic and social development. The principle of continuity of planning assumes a close linkage of long-term and current financial plans. Financial planning uses the following methods:

1. Method of extrapolation. Determination of prospective parameters based on actual indicators and their adjustment.

2. The method of expert assessments - the use of the experience of highly qualified specialists - experts.

3. Normative method - allows you to calculate targets based on established norms and standards.

4. Balance method - the method provides for the consistency of expenses with the sources of their coverage, linking all sections of financial plans with each other, as well as production and financial indicators.

5. The programmatically target method will be developed in market conditions as one of the methods of financial forecasting based on scientific and technical programs carried out at different levels - national, sectoral, primary. Financial programming is a method of financial planning that uses a target program method, which is based on clearly defined goals and means of achieving them.

6. Economic and mathematical methods - with the use of computers, contribute to the choice of the best solutions. Financial plans are drawn up in stages.

At the first stage of planning, an economic analysis of the implementation of financial indicators for the reporting period is carried out. At the second stage, calculations of specific types of income and expenses for the planned period are made. At the third stage, individual tasks, articles are linked into a single whole. If the envisaged measures and planning tasks do not agree with monetary resources, a source of income increase is sought, ways of their more efficient use are determined.

**4.3. The system of financial plans**

The main document of financial planning is the financial plan. Financial plans are plans for the formation and use of savings and monetary incomes of enterprises and organizations and states; generally. Financial plans show the endowment of financial resources. The system of financial plans includes numerous types of plans primary, consolidated financial plans). The primary are financial plans of the enterprise and organizations, estimates of state institutions. Consolidated financial plans include national, territorial, and sectoral plans. National are: the consolidated financial balance of the state, the state budget. Sectoral financial plans include: balances of income and expenditures of ministries departments), branches of material production, financial plans of public organizations. Territorial financial plans include: consolidated financial balances of regions, local budgets, plans of public organizations in the corresponding territory. Depending on the period, financial planning is divided into annual, medium-term three to five-year) and long-term. Currently, all of the above types of plans are being drawn up for a one-year period. In the field of material production, financial plans are called balances of income and expenses, and includes four sections:

1. Income and receipts of funds.

2. Costs and deductions.

3. Payments to the budget.

4. Appropriations from the budget.

The first section of the balance sheet includes: net income, depreciation deductions, long-term loans from banks, funds of the accumulation fund, proceeds from the sale of retired property, receipts of value added tax and excise taxes, funds from the sale of securities, an increase in working capital. The section "Expenses and deductions of funds" reflects capital investments, losses on core activities, expenses on interest payments, loans to fulfill the lack of own working capital, operating expenses, repayment of long-term loans. The section "Payments to the budget" includes: payments of all types of taxes. The section "Budget appropriations" provides for the following activities: state, centralized capital investments, operating expenses, financed by decisions of the government and local authorities. Business entities with small working capital make financial plans from two sections: income and expenses. The most important financial and economic indicators at the enterprise level are: - proceeds from the sale of products works, services).

This indicator predetermines the possibility of further distribution and use of funds; - cost of goods sold;

- the share of individual cost elements in the totalatratah;

- the amount of profit or income;

- the level of profitability profitability);

- the amount of depreciation charges;

- the size of accumulation funds, consumption, reserve, foreign exchange, etc;

- the state of accounts payable and receivable; - availability of own circulating assets;

- indicators of the use of fixed and circulating assets capital department, capital intensity, the ratio of the turnover of circulating assets, the duration of the turnover); - the amount of the share capital;

- indicators of liquidity of funds of the enterprise; General economic indicators are also used in financial work: costs per unit of output; the volume of capital investments investments);

The following specific indicators are applied in taxation: total annual income; taxable income, calculated as the difference between gross annual income and deductions;

The consolidated financial indicators include indicators of income and expenditure of budgets, as well as their individual components and their shares, the amount of budget deficits. At the level of the national economy, financial indicators characterize the volume and structure of the state's financial resources and their distribution through the state budget, the profitability of various sectors of the national economy.

**4.4. The main directions of improving financial planning**

State regulation of the market economy is primarily ensured by the conduct of antimonopoly, tax, budgetary, banking, and customs policies. An important place in the state regulation of the economy is occupied by financial planning and, above all, indicative planning forecasting) in the process of which the general contours of the desired economic development are determined. The main purpose of indicative financial planning is to determine the expected volume and direction of financial resources to fulfill the function of the state. Indicative financial plans are mandatory only for the public sector, and for sectors with other forms of ownership, they are recommended.

Entrepreneurial links in their economic commercial activities are guided by the socalled

- business plans. A business plan is a document that corresponds to a business feasibility study. Several documents are being prepared here:

- forecast of sales volumes;

- balance of cash income and expenses;

- the consolidated balance sheet of assets and liabilities of the enterprise;

- break-even schedule; In a market environment, financial planning is carried out at a higher level and is enriched with new forms of methods that allow this process to be carried out using scientific methods, modern technical means and a reliable information base.

**Questions to strengthen the topic 4:**

1. Economic - social status of the state budget. State budget as a category of the economy.

2. The main elements of the state budget.

3. Tasks of the state budget in the process of financial systems.

4. The role and importance of the state budget to ensure the development of sectors of the national economy.

5. Structure of the state budget of the Republic of Tajikistan

6. Principles of the state budget system of the Republic of Tajikistan

7. The concept of the budget process

8. Stegages of the budget process and the characteristics of the budget.

9. What methods of regulating budgets

10. What are the sources of revenue revenue?

**Tests on topic 4.**

1. State budget these:

a) the number of income and wages of enterprises, the state and the population;

b) a non-governmentalized monetary fund;

c) a set of income and expenditures in a certain period;

d) the centralized fund of a cash registered at the expense of the enterprises.

2. The state budget operates which of these tasks:

a) the organization of the budget fund (budget revenues);

b) financing of trade enterprises and the population;

c) fiscal

d) Encentration.

3. How many levels are the budgetary system of the Republic of Tajikistan?

a) 4; b) 3; c) 2; d) 1.

4. Which of these principles is used in the establishment of the state budget system of the Republic of Tajikistan?

a) complete independence independence;

b) equality (balances) of budgets;

c) self-financing of budgets;

d) Controversiality of budgets.

5. Financial financial assistance (Dotation) This:

a) the budget funds provided to the budget of another level of the budget of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of financing targeted funding.

b) budgetary funds issued to another level of the budget of the Republic of Tajikistan or a legal entity impossible for the amount;

c) budgetary funds issued to the budget of another level of the budget of the Republic of Tajikistan or legal and individual individuals imposed to perform certain purposes and current expenses.

d) budget funds to the budget of another level of the budget of the Republic of Tajikistan to cover current current expenses shall be provided.

6. Financial assistance (subsidiary) - this:

a) Budget funds to the budget of another level of budget regime of the Republic of Tajikistan to cover current current expenses shall be provided.

b) budget funds made to the budget of other levels of the budgetary system of the Republic of Tajikistan or a personal individuals imposed impossible to perform current expenses.

c) budgetary funds issued to the budget of another level of the Republic of Tajikistan, as well as individuals and legal entities, in accordance with the condition of commendation of qualified costs;

d) budget funds submitted to the budget of another level of the budget of the Republic of Tajikistan, enterprises and the population to cover the main expenses.

7. Financial Assistance (Environment) - This:

a) The budget funds are provided to the budget of another level of the budget of the Republic of Tajikistan to cover current expenses.

b) budget funds submitted to the budget of other level of the budget of the Republic of Tajikistan, enterprises and the population to cover key expenses.

c) budgetary funds issued to the budget of another level of the budget of the Republic of Tajikistan or legal individuals imposed to carry out current expenses.

d) budgetary funds issued to the budget of another level of the budget of the Republic of Tajikistan or a legal entity imposed to complete certain targeted expenses.

8. According to the tax income, these include:

a) national and local taxes;

b) national taxes, other obligatory payments, local taxes;

c) national taxes and other obligatory payments have determined by the legislation of the Republic of Tajikistan;

d) national taxes, grants, budget loans.

9. What groups of the state budget expenditures of the Republic of Tajikistan are the part of the importance of economic significance?

a) current and basic;

b) Novement and local;

c) generally and sectoral;

d) sectoral and regional and regional.

10. Which of these entities is a participant in the budget process in the Republic of Tajikistan?

a) the National Bank of Tajikistan;

b) tax and customs authorities;

c) monetary and currency regulation bodies;

d) commercial enterprises.

11. The Ministry of Finance of the Republic of Tajikistan ITS Public budget, republican budget and budgets of state target funds should be submitted to the Government of the Republic of Tajikistan for the next?

a) On 1st October 1;

b) on November 1;

c) September 20;

d) September 10.

12. Budget Seawester:

a) proportional (15, 20, 40% or more percent) reduction of expenses of all budget articles;

b) proportional (2, 5, 8 and more percent) increase budget revenues;

c) proportional (5, 10, 15 and more percent) reduction of the budget deficit;

d) reduction of budget expenditures, except for defensive consumption accordingly;

13. Is the external conclusion on the state budget report by the following bodies?

a) the Ministry of Finance of Tajikistan;

b) the National Bank of Tajikistan;

c) tax authority;

d) state financial control bodies.

**Issues on topic 4.**

**The issue of 1**

The total amount of expenditures of the Republic of Tajikistan for 2019 was 24.2 billion somoni. somoni. Including:

* For government and governance bodies - 1.4 billion somoni have for government and governance bodies. Somoni
* To education - 4.4 billion somoni. Somoni
* For health sector - 1.7 billion somoni. Somoni
* For social assistance and social protection - 3.7 billion somoni. Somoni
* For agriculture - 915.4 mln. Somoni
* For the housing and condomeration, 968.3 mln. Somoni
* For the culture sector - 760.7 mln. Somoni
* For the sectors of transport and energy - 5.9 billion somoni. Somoni
* For industry and construction - 156.3 mln. Somoni
* For other sectors of the economy and services - 48.4 mln. Somoni
* For other farms - $ 2.6 billion somoni. somoni

State budget expenditures for defense and vertical analysis is conducted.

Cali:

915,4/1000=0,9154

968,3/1000=0,9683

760,7/1000=0,7607

156,3/1000=0,1563

48,4/1000=0,0484

24,2-(1,4+4,4+1,7+3,7+0,9154+0,9683+0,7607+5,9+0,1563+0,0484+2,6)=

24,2-22,5808=2,6192 мililard somoni

1,4 / 24,2 \* 100=5,7%

4,4 / 24,2 \* 100=18,2%

1,7 / 24,2 \* 100=7,1%

3,7 / 2402 \* 100=15,2%

0,9154 / 2402 \* 100=4%

0,7607 / 2402 \* 100=3,2%

5,9 / 24,2 \* 100=24,3%

0,1563 / 24,2 \* 100=0,7%

0,0484 / 24,2 \* 100=0,3%

2,6 / 24,2 \* 100=10,7%

2,5808 / 24,2 \* 100=10,6%

5,7+18,2+7,1+15,2+4+3,2+24,3+0,7+0,3+10,7+10,6=100

Response: The state budget for defense is 2.5808 billion US dollars. somoni or 10.6% of total expenditures.

**Issue 2.**

The total amount of the state budget expenditures in 2009 590.2 mln. Somoni, budget expenditures amount to 850.4 mln. Somoni and in 2010, 7,025.3 mln. Somoni and 990.5 mln. somoni. To determine the relative number of budget expenditures in the field of education in 2010 compared to 2009.

**Cali:** The share of budget expenditures in the field of education in the total volume of budget expenditures in 2009

 ·100% = 14,95% - to formed.

The share of budget expenditures in the field of budget expenditures in 2010 ·100% = 14,09% - to formed.

In 2010, the total volume of budget expenditures in the field of education compared to 2009 (14.95-14.09).

**Issue 3.**

The amount of its own revenues of the local budget - 82.5 mln. Somoni, funds of regulated income - 35.4 mln. somoni, budget loans from the high budget - 5.6 mln. Somoni, the part of budget expenditures - 123.5 mln. somoni. The condition of the local budget should be assessed.

Solution: Collect the money supply of the local budget and the amount of regulatory budgets to determine the local budget and the amount of regulated income. Thus, the amount of the local budget = (82.5 mln. Somoni + 35.4 mln. Somoni) - 123.5 mln. somoni = - 11.2 mln. somoni. It follows that the local budget has benefits a financial difficulty for urbanization. The local budget deficit is 11.2 mln. somoni.

**CHAPTER 5. TAXATION AND DISTRIBUTION OF TAX BURDEN**

**5.1. Tax burden: its essence and problematic aspects.**

**5.2. The concept and essence of the Laffer curve**

**5.3. Distribution of the tax burden.**

**5.1. Tax burden: its essence and problematic aspects**

The tax burden is a measure of the cumulative impact of taxes on the economy of a country as a whole or of an individual taxpayer. The concept of the tax burden arose virtually simultaneously with the emergence of taxes. Back in the 18th century.

Adam Smith in his work "Investigation of the nature and causes of the wealth of nations" pointed to the important economic relationship between the level of tax burden and the receipt of funds in the state budget. The first mentions of a quantitative assessment of the tax burden indicator and its pressure on the economy also date back to the 18th century.

For the first time, F. Justi 1705-1771), a German economist who made a significant contribution to the development of financial science, who studied this phenomenon, defined the tax burden at the macro level as the ratio between the budget and the national income of the state. At the same time, F. Yusti pointed out that the country's budget should not spend more than 1/6 of the national income. The tax burden should be viewed from two perspectives: - firstly, as a form of monopoly price of aggregate public goods, which expresses the measure of the value value) of public services in relation to the sources of tax payment; - secondly, as a calculated indicator of the quantitative measurement of price parameters for assessing state services according to the adopted methodology.

The essence of the tax burden as a form of monopoly price of state services is expressed in the following. The state, being the only “seller” of public goods and the bearer of the demand for taxes for government spending), is interested in the maximum level of taxes, the volume and growth rate of tax revenues. Taxpayers, as forced “buyers” of public services, from whom the supply of financial resources for taxation comes, are interested in obtaining large public goods especially of a social nature) with minimal taxes the minimum price for these services). The role and significance of the tax burden indicator are as follows:

• First, this indicator is necessary for the government to develop tax policy. By introducing new taxes and eliminating old ones, changing tax rates and benefits, the state is obliged to determine and not exceed the maximum permissible levels of pressure on the economy, beyond which negative economic processes may arise.

The indicator of the tax burden at the macro level is also used by the state to forecast budget revenues, develop the tax base as a whole for the country's economy and assess the effectiveness of the impact of the tax system on socio-economic development.

• Secondly, the calculation of the tax burden at the national level is necessary for a comparative analysis of the tax burden in different countries and for making decisions by economic entities on the location of production, the distribution of investments and, ultimately, on the flow of capital;

• Thirdly, the indicator of the tax burden is necessary to analyze the influence of the country's tax system on the formation of the social policy of the state;

• Fourth, the indicator of the tax burden is used as an indicator of the economic behavior of economic entities. The tax burden is calculated at two levels: macro and micro levels.

The tax burden on the economy is the ratio of all taxes received in the country to the created GDP. The economic meaning of this indicator is to assess the share of GDP redistributed through taxes. The tax burden on the population as a whole is the ratio of all taxes paid per capita to the average per capita income of the country's population, including the monetary value of the material benefits received by them.

The tax burden on an employee is effectively equal to the economic rate of income tax, since in most countries this tax is the only tax that is paid directly by the employee. The methodology for determining the tax burden on a specific enterprise consists in establishing the ratio between the amount of taxes paid by the taxpayer and the income received by him. The tax burden is never limited to the amount of tax paid, the taxpayer always bears a number of costs associated with the fulfillment of their obligations. These costs include, in particular: - the cost of maintaining a staff of accountants and consultants; - costs associated with the payment of penalties as a result of violations of tax legislation; - legal costs in case of violation of the rights of taxpayers provided for by the Tax Code of the Republic of Tajikistan. In addition, the payment of taxes may require early mobilization of funds, as a result of which there will be a need to attract credit resources, which provides for the payment of appropriate interest. It is not possible to measure in monetary terms the additional financial costs of the taxpayer associated with the calculation and payment of taxes, and therefore, when determining the tax burden, only the amount of actually paid taxes is used.

**5.2. The concept and essence of the Laffer curve**

The main idea of the Laffer curve is that as the tax rate increases, tax revenues will increase to a certain maximum level, and then will decrease, as high taxes restrain economic activity of economic entities, as a result of which production and income decrease. Reducing tax rates will cause a reduction in government revenue in the short run. In the long run, lower tax rates will increase savings, investment and employment, resulting in increased production and taxable income, which will increase tax revenues to the state budget. Investigating the relationship between the size of the tax rate and the revenues to the state budget, the American economist Arthur Laffer showed that an increase in the tax rate does not always lead to an increase in tax revenues of the state.

He tried to theoretically prove that with an income tax rate above 50%, the business activity of firms and the population as a whole sharply decreases. If the tax rate exceeds the objective boundary, then tax revenues will begin to decline. A. Laffer proved that the same amount of income to the state budget can be provided at both high and low tax rates.

However, in practice, Laffer's ideas are difficult to use, since it is difficult to determine whether the country's economy is on the left or right side of the curve at the moment. Thus, due to an error in this definition, the "Laffer effect" did not work during the Reagan presidency: although the tax cut led to an increase in business activity in the country, it made it difficult to implement social programs. Of course, it is difficult to expect that an ideal taxation scale can be built on the basis of theory alone. The theory must be thoroughly revised in practice. National, cultural and psychological factors play an important role in assessing its fairness. Americans, for example, believe that with the tax rate in Sweden 75%), no one in the United States would work in the legal economy. In general, it is believed that the highest rate of income taxation should be in the range of 50-70%. These trends are visible in the following figures Fig. 6.2 and Fig. 6.3).



**Rice. 1. Laffer curve. Form I.**

As the rate rises from zero to 100%, tax revenues rise from zero to a certain maximum level Dt), and then decline again to zero. Tax revenues fall after a certain value of the rate, since higher tax rates restrain the activity of economic entities, and therefore the tax base at the macro level - national product and income) is shrinking. Thus, tax revenues at a rate of 100% are reduced to zero, since such a tax rate actually has a confiscatory nature and stops all production activities of payers. In turn, a 100% tax applied to a zero tax base generates zero tax revenue. If the economy is at point A Figure 6.2), lowering tax rates is consistent with maintaining a steady tax revenue. When going from point A to point B, i.e. with a significant reduction in the tax rate, the budget will receive an equal amount of funds. Hence the conclusion: lower tax rates create incentives to work, save and invest, innovate, and take business risks. As a result, the prerequisites for expanded reproduction of the national product and national income are created. The broadened tax base will be able to keep tax revenues unchanged even if tax rates are reduced. The parameters of the Laffer curve are empirical. This means that in practice it is difficult to answer the question at what specific tax rate begins to reduce tax revenues to the budget. The Laffer curve can also be presented in another form, showing where entrepreneurial activity moves when a certain value of tax rates is exceeded, i.e. in case of violation of the principle of proportionality of taxation Figure 6.3). With an increase in tax rates at the beginning of the curve), the incentives of business entities and the population are not seriously affected, and interest in legal income, as well as the total volume of production, decrease more slowly than the rate increases. Since the decrease in the tax base is slower than the increase in the rate, budget revenues increase.

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**Rice. 3. Laffer curve. Form II.**

But as soon as the rate reaches a certain level, further tax payment leads to a noticeable reduction in the payer's net income. A decline in economic activity begins. Tax evasion is becoming widespread. Entrepreneurial activity is moving from the legal sphere to the shadow one. Despite the rise in tax rates, budget revenues are shrinking as the real tax base shrinks. By itself, the Laffer curve does not allow judging what results an increase or decrease in tax rates will lead to - an increase or decrease in tax revenues. It depends on the totality of a number of factors such as: the taxation system, the time parameter, the scale of the shadow economy, the initial level of tax rates, the abundance of loopholes and benefits, etc. But this curve reflects an iron general rule: if the existing tax rates are prohibitively high, when taxes are reduced, revenues to the treasury will increase. The incentive that the economy gets from lower taxes will be strong enough to offset the decline in direct tax revenue from lower rates. In other words, the economic effect of the tax reform will outweigh its arithmetic effect. Consideration should also be given to the beneficial impact of the tax reform on the state budget. Tax cuts provide an incentive to increase production and employment. Accelerated economic development means lower unemployment and higher incomes for the population, which in turn leads to cost savings on unemployment benefits and other social protection programs. An important element of tax policy, a method of state regulation of the economy, ensuring social protection of certain types of activities and certain groups of the population are tax benefits - full or partial exemption from taxes. Tax incentives can be provided by: establishing a non-taxable minimum, excluding certain expenses or certain types of taxpayer's income from taxable income, reducing the tax rate, granting a tax credit, refunding previously paid taxes, full exemption, from paying taxes, etc. Finally, tax legislation provides for all sorts of sanctions from fines of various sizes to criminal liability) for violations in the field of taxation: tax evasion, delay in tax payments, inclusion of false information in the tax return, etc.

**5.3. Distribution of the tax burden**

Building a rational tax structure is closely related to assessing the scope of taxes. Scope refers to the business entity individual or enterprise) that actually bears the tax burden. Let's give a conditional example. There is data on the relationship between supply and demand in the apple market table 1 and figure 2). The higher the price of a good column 1), the less consumers are willing to buy it column 2) and the more manufacturers offer it column 3). Market equilibrium point A) is established at the intersection of the demand D) and supply S) curves. The equilibrium price, which ensures equality of supply and demand, in our example is equal to $ 10. per kilogram of apples. Equilibrium sales volume is 1000 kg.



**Rice. 4. Distribution of the tax burden**

Suppose the government imposes an indirect tax on the sale of apples. The manufacturer is obliged to pay 2 cu for each kilogram sold. How will the equilibrium price and the equilibrium volume of production change? In this case, nothing will happen to the demand curve: the buyer still pays, whether the manufacturer pays the tax or not. He focuses only on the price of the product. But the market supply curve will change its character. Because the producer from each kg of apples will receive a profit of $ 2. less, then the supply curve shifts to the left column 4 and the St curve).

The price is 10 USD. provides the manufacturer with net net of tax) proceeds from 1 kg of 8 USD. Before the tax was introduced, the price was $ 8. for 1kg. made it profitable to deliver only 600 kg of apples to the market. Consequently, in the new situation, the value of supply at a price of $ 10. will be 600kg. Similarly, you can calculate the values of the offer for other price options column 4). The new equilibrium price equilibrium point-B), as we can see from the table and graph, rises from $ 10. to 11, and the equilibrium volume of apple sales will decrease from 1000 to 800 kg/

Table 1.

|  |  |  |  |
| --- | --- | --- | --- |
| Price for 1 kg, cu | Market demand, kg | 1st market offer, kg | Market offer 2nd, kg |
| 1 | 2 | 3 | 4 |
| 12 | 600 | 1400 | 1000 |
| 11 | 800 | 1200 | 800 |
| 10 | 1000 | 1000 | 600 |
| 9 | 1200 | 800 | 400 |
| 8 | 1300 | 600 | 200 |

Who pays the tax? It is paid by both the producer and the consumer. The producer in the new situation for a kg of apples instead of 10 receives $ 9. 11 USD minus the amount of tax), while the buyer pays 11 USD instead of 10 kg of apples. At the same time, production and consumption volumes decreased by 200 kg. The total amount of tax revenues is equal to 1600 USD: 2 USD each. for each 800 kg sold rectangle BEGC in Fig. 2). At the same time, both sellers and buyers lose $ 800 each. rectangles BEFH and CHFG). The tax burden in our example was evenly distributed among them. The distribution of the tax burden depends on the elasticity of market demand and market supply.

**Questions to reinforce topic 5:**

1. Explain the structure of the state budget of the Republic of Tajikistan.

2. Explain the budget structure.

3. On what basis and by which body is the draft state budget of the Republic of Tajikistan developed?

4. Explain the content of the Medium-Term Government Expenditure Program.

5. What are the reasons for the budget deficit?

5. What are the internal and external sources of financing the republican budget deficit?

6. Socio-economic nature of the state budget. State budget as an economic category.

7. The main elements of the state budget.

8. Tasks of the state budget in the process of financial system.

9. The role and importance of the state budget in ensuring the development of sectors of the national economy.

10. What is the budget process and what are its stages?

11. Principles of the state budget system of the Republic of Tajikistan

12. The concept of the budget process

13. Stages of the budget process and features in the Republic of Tajikistan.

14. What methods do you know to regulate budget revenues?

**Tests on topic 5**

1. Which of these principles is used in the formation of the state budget system of the Republic of Tajikistan?

a) full independence of budgets;

b) balance of budgets;

c) budget self-financing;

d) secrecy of budgets.

2. Which of the following functions does the state budget perform:

a) creation of budget fund (budget revenues);

b) financing of commercial enterprises and the population;

c) fiscal

d) motivation.

3. What are the levels of the budget system of the Republic of Tajikistan?

a) 4;

b) 3;

c) 2;

d) 1.

4. The state budget is:

а) total income and expenses of enterprises, state and population;

b) decentralized monetary fund;

c) total government revenues and expenditures for a given period;

d) is a centralized monetary fund formed at the expense of enterprises' income.

5. Grants are:

a) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity on a gratuitous or non-refundable basis for the performance of certain targeted expenditures;

c) budget funds allocated to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of certain target and current expenditures.

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

6. Financial assistance (subsidy) is:

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided free of charge to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals for the implementation of current expenditures.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures;

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover capital expenditures.

7. Subsidies are:

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover basic expenses.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of current expenditures.

d) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity free of charge or on a non-refundable basis for the performance of certain targeted expenditures.

8. Tax revenues of the state budget include:

a) national and local taxes;

b) national taxes, other obligatory payments, local taxes;

c) national taxes and other obligatory payments, the list and rates of which are determined by the legislation of the Republic of Tajikistan;

d) nationwide taxes, grants, budget loans.

9. Expenditures of the state budget of the Republic of Tajikistan are divided into which groups depending on their economic significance?

а) current and main;

b) national and local;

c) general and sectoral;

d) sectoral and regional.

**Solving problems on topic 5.**

**The issue of 1.**

The volume of state budget revenues is 8340.5 thousand Somoni and its expenditures are 9225.2 thousand Somoni. Determine the budget deficit.

solution: Kb = D - X = 8340.5 - 9225.2 = - 884.7 thousand somoni.

**The issue of 2.**

External public debt (SCB) of the Republic of Tajikistan at the beginning of 2010 amounted to 1 805.7 mln. dollars United States. During 2010, the SCA provided 165.2 million somoni. dollars USD from borrowings and in the amount of 13.7 mln. dollars The US dollar increased due to the exchange rate difference and amounted to 25.6 mln. dollars The US dollar declined. If the nominal GDP in 2010 amounted to 24 704.7 mln. Somoni, the exchange rate of 1 US dollar. The US dollar is 4,403 somoni and the maximum size of the SCA to GDP is 40%, the size of the SCA in early 2011 and the ratio of the SCA to the GDP in the beginning of 2011 should be determined and compared with the final size.

Solution: SCA in early 2011

1805.7 + 165.2 + 13.7-25.6 = 1959 dollars. United States.

GDP in dollars USA: 24 704 00 000: 4,403 = 5610.9 mln. dollars United States. The ratio of the SCA to the GDP

 ∙ 100% = 34,9% is equal to this, which is less than its maximum size.

**CHAPTER 6. STATE BUDGET AND BUDGETARY SYSTEM OF THE REPUBLIC OF TAJIKISTAN**

**6.1. The essence and concept of the state budget.**

**6.2. Budget classification concept.**

**6.3. Budget deficit and sources of its coverage**

**6.1. The essence and concept of the state budget**

A budget is a financial action plan for a certain future period, usually for a year calendar year, fiscal or tax). The state budget is an estimate of the revenues and expenditures of the state for a certain period of time, most often for a year, compiled with an indication of the sources of state revenues and the directions of the channels for spending funds. The state budget is drawn up by the government, approved and adopted by the highest legislative bodies. In the process of budget execution, a partial revision of it may take place. Through the state budget, a part of the gross domestic product is redistributed through the accumulation and mobilization of funds, the allocation and use of financial resources. The state budget is the central link in the financial system of the state. He plays an active role in the functioning of the economy, its progressive and dynamic development. The budgetary system of the Republic of Tajikistan consists of two levels:

1) the republican budget;

2) local budgets city, district).

The republican budget is a monetary fund that is intended for the implementation of republican events. The local budget is a centralized fund of financial resources of a separate municipality, the formation, approval and execution, as well as control over the execution of which are carried out by local self-government bodies independently.

Local budgets include the budgets of regions, cities, administrative districts, jamoats of the republic. Local budgets are one of the main channels for communicating the final results of production to the population. Through them, public consumption funds are distributed among individual groups of the population. To a certain extent, these budgets also finance the development of industrial sectors, primarily the local and food industries, utilities, the volume of products and services of which are also an important component of ensuring the life of the population. The state budget is adopted in the form of the Law of the Republic of Tajikistan "On the State Budget of the Republic of Tajikistan" for the next financial year, approved only by the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan. The budget of the state targeted budget funds is considered and approved by the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan simultaneously with the adoption of the Law of the Republic of Tajikistan "On the State Budget of the Republic of Tajikistan" for the next financial year. Local budgets are developed and adopted by representative local authorities in the form of legal acts.

The system of the state budget of the Republic of Tajikistan is based on the following principles:

1. Unity of the budget system: the unity of the legal framework, the monetary system, forms of budget documentation, principles of the budget process, sanctions for violations of budget legislation, a unified procedure for financing the expenditures of budgets of all levels of the budget system, accounting for funds from the republican budget and local budgets ;

2. Delimitation of income and expenses between the levels of the budgetary system: securing the corresponding types of income in full or in part and the authority to implement expenses for the state authorities of the Republic of Tajikistan and local government;

3. The independence of budgets presupposes: 1) the right of legislative and representative bodies of state power and bodies of local self-government at each level of the budget system to independently carry out the budget process;

2) availability of own sources of income for budgets of each level of the budget system; 3) legislative consolidation of the regulating budget revenues, the powers to form the revenues of the respective budgets;

4) the right of public authorities and local government bodies to independently determine the directions of spending funds, sources of financing the deficits of the corresponding budgets;

5) the inadmissibility of the withdrawal of income, additionally obtained in the course of the execution of laws on the budget, the amounts of excess of income over budget expenditures and the amount of savings on budget expenditures;

6) the inadmissibility of compensation at the expense of the budgets of other levels of the budget system for losses in income and additional costs arising in the course of the execution of laws on the budget, except for cases related to changes in legislation.

4. Completeness of reflection of revenues and expenditures of budgets and state trust funds: all revenues and expenditures of budgets and state trust funds and other obligatory receipts are reflected in budgets and state trust funds in full. All state and local expenditures are to be financed from budgetary funds, funds of state trust funds accumulated in the budgetary system. Tax credits, deferrals and installments for the payment of taxes and other mandatory payments are fully accounted for separately for revenues and expenditures of budgets and state trust funds.

5. Balance of the budget: the volume of pr. The budgeted expenditures must correspond to the total amount of budget revenues and receipts from sources of financing its deficit. In this case, there may be a deficit of income and expenditure, as well as a primary budget surplus;

6. Efficiency and economy of the use of budgetary funds: when drawing up and executing budgets, authorized bodies and recipients of budgetary funds should proceed from the need to achieve the specified results using the least amount of funds or achieve the best result using the amount of funds determined by the budget. 7. Total or aggregate coverage of expenses: all budget expenditures should be covered by the total amount of budget revenues and receipts from sources of financing its deficit. Budget revenues and receipts from sources of financing its deficit can be used to finance certain budget expenditures only when financing targeted budget funds, as well as in the case of centralization of funds from the budgets of other levels of the budget system.

8. Publicity means:

1) publication in the open press of approved budgets and reports on their execution, completeness of information on the progress of budget execution;

2) openness of procedures for considering and making decisions on draft budgets, including on issues causing disagreements either within the legislative or representative body of state power, or between the legislative or representative and executive bodies of state power.

9. The reliability of the budget: the reliability of the indicators of the forecast of the socio-economic development of the corresponding territory and the realistic calculation of budget revenues and expenditures.

10. Targeting and targeted nature of budgetary funds: budgetary funds are allocated at the disposal of specific recipients of budgetary funds, indicating their direction for financing specific goals. Any actions leading to a violation of the targeted budgetary funds are a violation of the budgetary legislation of the Republic of Tajikistan.

Being an integral part of financial relations and having a monetary form of expression, the budget performs the following functions:

1) pay-as-you-go, which is manifested through the formation and use of a centralized fund of funds at the levels of state and territorial power;

2) the control one, which operates simultaneously with the distributive one and assumes the possibility and obligatory state control over the receipt of budgetary funds;

3) regulatory, which manifests itself in the fact that with the help of the budget, the state regulates the economic life of the country, directing budget funds to support and develop certain industries and regions, using appropriate financial levers for this budget and tax mechanism).

**6.2. Budget classification concept**

In the public finance system, budget classification provides accounting and systematization of information on the state of the budget. The budget classification is a grouping of budget revenues and expenditures, sources of financing budget deficits and is used for the preparation and execution of budgets, ensures the comparability of budget indicators at all levels of the budget system. The budgetary classification of the Republic of Tajikistan includes: 1. Classification of budget revenues is a grouping of revenues of budgets of all levels of the budget system in accordance with the sources of their formation, established by the relevant legislative acts. Income groups are made up of income items that group specific types of income by sources and ways of receiving them.

2. Functional classification of budget expenditures, which is a grouping of expenditures of budgets of all levels and reflects the direction of budget funds to perform the basic functions of the state. The first level of the functional classification of expenditures of the budgets of the Republic of Tajikistan - sections, the second level of subsections, specifying the direction of budget funds for the performance of state functions within the sections, reflecting the financing of expenditures in specific areas of activity of the main managers of funds within the subsections of the functional classification of budget expenditures ... 3. Economic classification of budget expenditures. This is a grouping of expenditures of budgets of all levels according to their economic content. It includes current and capital items of expenditure. On its basis, estimates of budgetary institutions are drawn up. 4. Classification of sources of financing budget deficits, which is a grouping of borrowed funds attracted by the Republic of Tajikistan and local governments to cover the deficits of the respective budgets. 5. Departmental classification, which is intended to determine the main managers of budgetary funds. On its basis, the State Treasury of the Republic of Tajikistan and local financial bodies keep a register of all administrators of budgetary funds.

#### Table 6.1.

#### Budget classification

|  |  |
| --- | --- |
| 1 | Classification of budget revenues |
| 2 | Classification of budget expenditures:- Functional classification of budget expenditures- Economic classification of budget expenditures- Departmental classification of budget expenditures |
| 3 | Classification of funding sources |
| 4 | Classification of sources of internal financing of budget deficits |
| 5 | Classification of sources of external financing of budget deficits |
| 6 | Classification of types of public debt |
| 7 | Classification of types of state internal debts of the Republic of Tajikistan |

The budget classification in terms of classification of budget revenues, functional classification of budget expenditures, economic classification of budget expenditures, classification of sources of financing budget deficits is the same for budgets of all levels of the budget system and is approved by local law. Legislative or representative bodies of local government can further detail the objects of the budget classification in terms of target items and types of expenditures, without violating the general principles of construction and unity of the budget classification of the Republic of Tajikistan. The budget classification is approved in the form of a law, which is amended and supplemented simultaneously with the adoption of the law on the state budget for the corresponding financial year. Improving the budget classification will increase the efficiency of mobilization and use of budget funds, ensure the transparency of budgets at all levels and optimize accounting policies. As part of the budget classification of budget revenues, the following main groups, subgroups and income items are distinguished: I. Tax revenues:

• tax on profit income) of organizations;

• tax on capital gains;

• personal income tax;

1) taxes on goods and services, license and registration fees:

• value added tax;

• excise taxes on excisable goods products) and certain types of mineral raw materials produced in the territory of the Republic of Tajikistan and imported into the territory of the Republic of Tajikistan;

• tax on the purchase of foreign banknotes and payment documents denominated in foreign currency;

• sales tax;

• single tax on gross income for small businesses - imputed income tax;

2) property taxes:

• tax on property of individuals;

• tax on property of organizations;

• property tax;

• inheritance or gift tax;

3) payments for the use of natural resources:

• payments for subsoil use;

• tax on the reproduction of the mineral resource base;

• tax on additional income from hydrocarbon production;

• forest tax;

• water tax;

• environmental tax;

• land tax;

4) taxes on foreign trade and foreign economic transactions:

• customs duty;

• customs duties;

5) other taxes, duties and fees:

• National tax;

• contributions to government funds;

• road tax;

• transport tax;

• tax on gambling business;

• advertising tax; II. Non-tax income:

6) income from property in state and local ownership, or from activities:

• income from the use of state and local property;

• dividends on state-owned shares;

• income from the lease of state-owned property;

• interest received from placement of temporarily surplus budget funds with credit institutions;

• interest received from the provision of budget loans within the country;

• income from the provision of services or compensation for government costs;

• transfer of profits of the National Bank of the Republic of Tajikistan;

• payments from state and local organizations;

• payment for the allocation of quotas for catching aquatic biological resources to joint ventures and foreign legal entities;

• other receipts from property in state and local ownership, or from activities;

7) income from the sale of state and local property: • receipts from the privatization of state-owned organizations;

• receipts from the sale by the state of its shares in organizations;

• income from the sale of apartments;

• income from the sale of state production and non-production assets, vehicles, other equipment;

• income from the sale of confiscated, ownerless property, treasures and other property transferred to state and municipal property;

• income from the sale of state reserves;

• income from the sale of land and intangible assets;

• receipts of capital transfers from non-governmental sources;

• administrative fees and charges;

• penalties, damages;

• income from foreign economic activity;

• other non-tax income;

8) gratuitous transfers:

• from budgets of other levels;

• from state extra-budgetary funds;

• from government organizations;

• from supranational organizations;

• funds transferred to targeted budget funds;

9) income of targeted budget funds:

• road funds;

• environmental funds;

• Fund for the Development of the Customs System of the Republic of Tajikistan;

• state fund for combating crime;

• fund for the reproduction of the mineral resource base; The functional classification of expenditures of the budgets of the Republic of Tajikistan includes the following sections:

• public administration and local government;

• judicial branch;

• International activity;

• national defense;

• law enforcement and security of the state;

• fundamental

research and promotion of scientific and technological progress;

• industry, energy and construction;

• Agriculture;

• protection of the environment and natural resources, hydrometeorology, cartography and geodesy;

• transport, road facilities, communications and informatics;

• development of market infrastructure;

• Housing and utilities;

• prevention and elimination of the consequences of emergencies and natural disasters;

• education;

• culture, art and cinematography;

• mass media;

• health care and physical education;

• social politics;

• servicing the public debt;

• replenishment of state reserves and reserves;

• financial assistance to budgets of other levels;

• utilization and elimination of weapons, including the implementation of international treaties;

• mobilization preparation;

• other expenses;

• targeted budgetary funds. The economic classification of budget expenditures includes the following items:

1) running costs:

• interest payments;

• subsidies and current transfers;

• payment for services for the recognition of property rights abroad;

2) capital expenditures:

• capital investments in fixed assets;

• creation of state reserves and reserves;

• acquisition of land and intangible assets;

• capital transfers;

3) provision of loans budget loans) minus repayment:

• granting loans budget loans);

• provision of government loans to foreign governments;

• repayment of government loans by foreign governments;

• total expenses. Classification of sources of financing budget deficits The classification of sources of domestic financing of budget deficits of the Republic of Tajikistan includes the following items:

1) financing the budget deficit with a loan from the National Bank of the Republic of Tajikistan and changes in budget balances;

2) government securities;

3) budget loans received from state extra-budgetary funds;

4) budget loans received from budgets of other levels;

5) other sources of internal financing. The classification of sources of external financing of the deficit includes:

1) loans from international financial organizations;

2) loans from foreign governments provided to the Republic of Tajikistan;

3) loans from foreign commercial banks and firms provided to the Republic of Tajikistan;

4) change in the balance of budget funds in bank accounts in foreign currency;

5) other external financing. Departmental classification of budget expenditures reflects the distribution of budget funds among the main administrators of state budget funds direct recipients of funds from the local budget), for example: \* Administrative Department of the President of the Republic of Tajikistan; \* Parliament of the Republic of Tajikistan; \* Ministry of Defense of the Republic of Tajikistan, etc.

**6.3. Budget deficit and sources of its coverage**

In economic theory, it is customary to distinguish three main states of the budget:

1) scarce;

2) surplus;

3) balanced.

The excess of expenditures over revenues negative budget balance) constitutes a budget deficit. The surplus is the inverse ratio, i.e. excess of revenues over expenditures positive budget balance).

A balanced budget is a consequence of a budgetary policy in which expenditures are fully supported by revenues. It is generally accepted to consider a budget to be balanced if its deficit or surplus does not exceed 1% of the total expenditures. In the process of drawing up, approving and executing budgets, there can be a balance of income and expenses, an excess of expenses over income budget deficit) or an excess of income over expenses budget surplus).

The state budget and local budget are drawn up and approved without a surplus. Primary surplus is understood as the excess of revenues over expenditures without taking into account the cost of servicing the public debt. In this case, the servicing of the public debt exceeds the amount of the budget deficit. To finance the budget deficit, alternative sources of covering it are envisaged. These are, first of all, borrowed funds attracted from the money, credit or financial markets. When the budget for the next fiscal year with a deficit is adopted, the law on this budget approves the sources of its financing. The size of the state budget deficit cannot exceed the total volume of budget investments and expenditures for servicing the state debt of the Republic of Tajikistan. The size of the local budget deficit cannot exceed 10% of the volume of local budget revenues, excluding financial assistance from the state budget. Revenues from sources of financing the local budget deficit are directed only to financing investment costs and cannot be used to finance the costs of servicing and repaying local debt. Sources of financing the budget deficit Sources of financing the budget deficit are approved by the legislative authorities in the law on the budget for the next financial year for the main types of attracted funds. Consider the sources of funding for budget deficits at various levels. The sources of financing the state budget deficit are:

1) internal sources - loans received by the Republic of Tajikistan from credit institutions in national currency; government loans carried out by issuing securities on behalf of the Republic of Tajikistan; budgetary loans received from budgets of other levels of the budgetary system of the Republic of Tajikistan;

2) external sources - government loans carried out in foreign currency by issuing securities on behalf of the Republic of Tajikistan; loans from foreign governments, banks and firms, international financial organizations, provided in foreign currency. Sources of financing the local budget deficit can be internal sources in the following forms:

1) local loans, carried out by issuing local securities on behalf of a local entity;

2) budgetary loans received from budgets of other levels of the budgetary system of the Republic of Tajikistan;

3) loans received from credit institutions.

**Questions to reinforce topic 6:**

1. What is the budget process and what are its stages?

2. Who are the participants in the budget process in the Republic of Tajikistan?

3. On what basis and by which body is the draft state budget of the Republic of Tajikistan developed?

4. Explain the content of the Medium-Term Government Expenditure Program.

5. What are the reasons for the budget deficit?

5. What are the internal and external sources of financing the republican budget deficit?

6. Socio-economic nature of the state budget. State budget as an economic category.

7. The main elements of the state budget.

8. Tasks of the state budget in the process of financial system.

9. The role and importance of the state budget in ensuring the development of sectors of the national economy.

10. The structure of the state budget of the Republic of Tajikistan

11. Principles of the state budget system of the Republic of Tajikistan

**Tests on topic 6.**

**1. Which of these principles is used in the formation of the state budget system of the Republic of Tajikistan?**

a) full independence of budgets;

b) balance of budgets;

c) budget self-financing;

d) secrecy of budgets.

**2. Subsidized financial assistance is:**

a) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity on a gratuitous or non-refundable basis for the performance of certain targeted expenditures;

c) budget funds allocated to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of certain target and current expenditures.

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

**3. Financial assistance (subsidy) is:**

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided free of charge to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals for the implementation of current expenditures.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures;

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover capital expenditures.

**4. Financial assistance (subvention) is:**

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover basic expenses.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of current expenditures.

d) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity free of charge or on a non-refundable basis for the performance of certain targeted expenditures.

**5. Expenditures of the state budget of the Republic of Tajikistan are divided into which groups depending on their economic significance?**

а) current and main;

b) national and local;

c) general and sectoral;

d) sectoral and regional.

**6. Which of these entities is a participant in the budget process in the Republic of Tajikistan?**

a) the National Bank of Tajikistan;

b) tax and customs authorities;

c) monetary and foreign exchange regulatory bodies;

d) commercial enterprises.

**7. How long does the Ministry of Finance of Tajikistan have to submit to the Government of the Republic of Tajikistan the drafts of the state budget, the republican budget and the budgets of the state target funds for the next fiscal year?**

a) October 1;

b) November 1;

c) September 20;

d) September 10th.

8. Sequestration budget in:

a) proportional reduction of expenditures of all budget items (15, 20, 40 and more percent);

b) a corresponding increase in budget revenues (2, 5, 8 and more percent);

c) reduction of the budget deficit accordingly (5, 10, 15 and more percent);

 d) proportional reduction of budget expenditures (5, 10, 15 and more percent), except for protected items;

**9. Which of the following bodies prepares the external conclusion on the report on execution of the state budget?**

a) the Ministry of Finance of Tajikistan;

b) the National Bank of Tajikistan;

c) tax authorities;

d) state financial control bodies.

**Solving problems on topic 6.**

**The issue of 1.**

Use the formula of equity and net working capital to find equity and net working capital of the enterprise.

Issued: Working capital - 2000000 somoni;

Fixed assets - 9,000,000 somoni;

Current liabilities - 1,000,000 somoni;

Long-term debt - 2,400,000 somoni.

**Њал:**

**Equity = Assets - Liabilities**

Assets = 2,000,000 + 9,000,000 = 11,000,000 somoni;

Liabilities = 1,000,000 + 2,400,000 = 3,400,000 somoni;

Own capital = 11 000 000 - 3 400 000 = 7 600 000 somoni.

Net working capital = Working capital - Current liabilities

Net working capital = 2,000,000 - 1,000,000 = 1,000,000 somoni

**The issue of *2.***

Total state budget revenues amounted to 21.4 mln. Somoni and its expenses amounted to 21.7 mln. Somoni. Determine the budget deficit?

**CHAPTER 7. STATE BUDGET REVENUE SYSTEM OF THE REPUBLIC OF TAJIKISTAN**

**7.1. Classification of state budget revenues.**

**7.2. Structure of state budget revenues of the Republic of Tajikistan for 2021**

**7.1. Classification of state budget revenues**

Budget revenues - funds received free of charge and irrevocably in accordance with the current classification and existing legislation. In the process of formation of budget revenues, a part of the GDP created in the process of social reproduction is withdrawn in favor of the state. On this basis, financial relations between the state and taxpayers arise. Budget revenues have significant differences in their payers, objects of taxation, methods of withdrawal, payment terms, etc. But at the same time, they differ in unity, since pursue one goal - the formation of the revenue side of budgets of different levels. They are characterized by a monetary form and impersonality. The revenue side of the budget is formed mainly from taxes. The leading place among the tax revenues of the republican budget is taken by VAT. Together with customs duties and income tax, it exceeds 2/3 of tax revenues.

Also, a significant share of revenues falls on excise taxes and payments for the use of natural resources, tax on the purchase of foreign banknotes. Non-tax revenues of budgets are formed as a result of either the economic activity of the state itself, or the redistribution of revenues already received by the levels of the budget system. Budget revenues are generated from tax and non-tax revenues, as well as gratuitous transfers. Also, the balance of funds at the end of the previous year is credited to the budget of the current year. Tax revenues include republican, regional taxes and fees of the constituent entities of the Republic of Tajikistan and local taxes and fees, as well as penalties and fines provided for by tax legislation. In the framework of the budget classification, revenues are grouped according to sources and methods of their receipt. Sources of income:

1) Tax revenues: value added tax; sales tax on cotton fiber and primary aluminum; tax on the use of natural resources; income tax;

* income tax; tax on road users; excise.

2) Non-tax income: income from the sale of state and local property; income from the sale of land; administrative fees and charges; customs duties; income from foreign economic activity;

3) Gratuitous transfers:

* from budgets of other levels;
* from state extra-budgetary funds; from government organizations. According to the procedure and conditions of enrollment, the budget revenues include their own and regulating budgets' revenues. Own revenues of budgets are types of revenues fixed by the legislation of the Republic of Tajikistan on a permanent basis, in whole or in part, for the respective budgets. Own budget revenues include: tax revenues, enshrined in the legislation of the Republic of Tajikistan, tax revenues and gratuitous transfers. Regulatory budget revenues include republican and regional taxes and other payments with established rates of deductions in percent) to the budgets of other levels for the next financial year, as well as on a long-term basis for at least three years). Regulatory revenues allow local authorities to have the financial resources necessary to perform their functions, to balance the revenue and expenditure side of budgets. The structure of budget revenues is flexible and is largely determined by specific economic conditions. For example, in countries with a high standard of living, the basis of tax revenues is the income of individuals, and in countries with a low standard of living - indirect taxes and taxes on legal entities.

The aggregated scheme of income and official transfers received can be represented as follows:

1. Current income:

1.1. Tax revenues:

- income taxes, income taxes and capital gains;

- contributions to state social funds;

- taxes levied depending on the payroll fund;

- property taxes;

- internal taxes on goods and services;

- taxes on foreign trade and foreign economic transactions;

- other taxes, fees and duties;

1.2. Non-tax receipts:

- income from property and entrepreneurial activity;

- administrative fees and payments, sales revenues;

- receipts from fines and sanctions;

- other non-tax receipts.

2. Income from capital transactions:

- sale of equity capital;

- income from the sale of state reserves;

- income from the sale of land;

- receipts of capital transfers from non-state sources;

3. Official transfers received: - from non-residents;

- from other government bodies grants, subventions). Republican budget revenues. The revenues of the republican budget include:

• own tax revenues of the republican budget, in addition to tax revenues transferred in the form of regulating revenues to the budgets of other levels of the budget system;

• completely own non-tax income; • extrabudgetary sources.

The tax revenues of the republican budget include:

1) republican taxes and fees, list and whose rates are determined by tax legislation, and the proportions of their distribution between the budgets of different levels of the budget system are approved by the state law on the state budget for the next financial year;

2) customs duties, customs fees and other customs payments;

3) state duty in accordance with applicable law.

Non-tax revenues of the republican budget are formed from:

1) income from the use of state-owned property, income from paid services provided by the state authorities of the Republic of Tajikistan and budgetary institutions under the jurisdiction of these authorities, in full;

2) income from the sale of state-owned property in the manner and according to the standards established by state laws and other legal acts of state authorities of the Republic of Tajikistan;

3) part of the profit of unitary enterprises established in the Republic of Tajikistan, remaining after payment of taxes and other obligatory payments, in the amount established by the Government of the Republic of Tajikistan. The revenues of the republican budget also take into account:

• profit of the Banks of Tajikistan - according to the standards established by state laws;

• income from foreign economic activity;

• income from the sale of state reserves and reserves. The own revenues of the republican budget can be transferred to local budgets.

The establishment of new types of taxes, their cancellation or change is possible only by making appropriate changes to the tax code. State laws on amendments and additions to tax legislation, which come into force from the beginning of the next financial year, are adopted before the approval of the state law on the state budget for the next financial year. State executive bodies can provide tax credits, deferrals and installments for the payment of taxes and other obligatory payments to the state budget in accordance with the tax code within the limits of the provision of tax credits, deferrals and installments for the payment of taxes and other obligatory payments, determined The state law on the state budget for the next financial year. Income of state trust funds.

The income of state trust funds is formed from special, targeted and mandatory taxes and payments established by the legislation of the Republic of Tajikistan, voluntary contributions from individuals and legal entities, state budget funds, income from entrepreneurial activities carried out by the relevant fund as a legal entity and other income.

The revenues of state trust funds are accounted for in the state budget of the Republic of Tajikistan for a separate next financial year, separately according to the standards established by the legislation of the Republic of Tajikistan.

Revenues of state trust funds are generated from sources such as:

• Special, targeted and mandatory taxes and payments established by the legislation of the Republic of Tajikistan;

• Voluntary contributions from individuals and legal entities;

• State budget funds;

• Income from entrepreneurial activities carried out by the respective foundation as a legal entity;

• Other incomes established by the legislation of the Republic of Tajikistan. The income of the state trust fund - the social insurance and pension budget is accounted for in the state budget of the Republic of Tajikistan for a separate next financial year, separately according to the standards established by the legislation of the Republic of Tajikistan. The collection and control of mandatory payments to the budget of state trust funds is carried out by the Tax Committee under the Government of the Republic of Tajikistan. Local budget revenues Local budget revenues are generated from their own and regulatory tax revenues. Local budgets receive full income from the use of property in local ownership, and income from paid services provided by local governments and budgetary institutions under the jurisdiction of local governments.

The revenues from the sale of locally owned property also fully go to local budgets. Other non-tax revenues go to local budgets in the manner and according to the standards established by state laws and legal acts of local government bodies. Tax revenues of local budgets include:

1) own tax revenues of local budgets from local taxes and fees;

2) income from regulated taxes and fees transferred to local budgets in accordance with the procedure established by the Law "On the State Budget" for the next financial year;

3) state duties, with the exception of the state duty, which, in accordance with the Law "On the State Budget" for the next financial year, is included in the republican budget. Features of local taxes: - their list is determined by the Tax Code of the Republic of Tajikistan;

- the Tax Code of the Republic of Tajikistan defines the maximum possible level of the local tax rate; this means that local authorities in their region can revise the level of the rate of these taxes downward;

- All fees for this tax go entirely to local budgets. Features of regulated taxes and receipts:

- their list is determined by the Tax Code of the Republic of Tajikistan;

- the Tax Code of the Republic of Tajikistan defines the level of the rate of regulated taxes, which means that local authorities cannot revise the level of the rate of these taxes in their region;

- receipts from these taxes are distributed between the republican and local budgets, based on the proportionality that is approved for the given financial year;

- the proportion of distribution of revenues from these taxes between the republican and local budgets, based on the characteristics of a particular region, is determined by the Law of the Republic of Tajikistan "On the State Budget" for the next financial year, i.e. the distribution of funds may vary.

The local budget also receives funds through the following channels:

- financial assistance from the republican budget subvention);

- additionally, allocated funds from the republican budget for mutual settlements;

- free balances of budgetary funds formed at the beginning of the year.

**7.2. Structure of state budget revenues of the Republic of Tajikistan for 2021**

The total volume of the State budget of the Republic of Tajikistan for 2013 from all sources of financing in the amount of 12057571 thousand somoni, including: - revenues of the State budget of the Republic of Tajikistan from tax, non-tax revenues and grants - 9452000 thousand somoni, of which:

**Таблица 7.1.**

|  |  |  |
| --- | --- | --- |
| Tax revenues | 8469141 | thousand somoni |
| Non-tax revenues | 802859 | thousand somoni |
| Budget support grantsat the expense of international financial organizations | 180000 | thousand somoni |
| Budget of investment projects implemented jointly with international financial organizations | 1992684 | thousand somoni |
| of them: |  | thousand somoni |
| Loans | 545701 | thousand somoni |
| Grants | 1053363 | thousand somoni |
| Government loans forimplementation of investment projects in the energy and transport sectors | 393620 | thousand somoni |
| Special funds of budgetary organizations | 612887 | thousand somoni |

The total volume of revenues and expenditures of the republican budget The republican budget for 2013 in terms of revenues totals 5,541,108 thousand somoni.

Table 7.2.

Republican budget revenues by sources of income

|  |
| --- |
| Income receipts from all business entities located on the territory of the Republic of Tajikistan are sent to the republican budget for a total amount of 5541108 thousand somoni, including from: |
| excise value added tax | 3162108 | thousand somoni |
| cotton lint sales tax | 333000 | thousand somoni |
| primary aluminum sales tax | 134499 | thousand somoni |
| tax on the use of natural resources | 40893 | thousand somoni |
| income tax | 275711 | thousand somoni |
| income tax | 211833 | thousand somoni |
| customs duty | 428600 | thousand somoni |
| road user tax | 21832 | thousand somoni |
| other non-tax revenues | 752632 | thousand somoni |
| grants from international financial organizations | 180000 | thousand somoni |

The ratio of tax and non-tax revenues to the republican budget and local budgets

**Таблица 7.3.**

|  |
| --- |
| In 2013, the following tax and non-tax revenues were credited to the republican budget: |
| cotton-fiber sales tax | 100 percent |
| and primary aluminum | 100 percent |
| customs duties | 100 percent |
| value added tax and excises received through the customs authorities | 100 percent |
| other nationwide mandatory payments and non-tax revenues, as well as their penalties), collection for the passage of foreign vehicles through the territory of the Republic of Tajikistan | 100 percent |
| value added tax, tax on road users, income tax, as well as taxes on natural resources, royalties for water) for HPP Sangtuda-1 | 100 percent |
| on the state unitary enterprises "Tajik Aluminum Company", "Rohi ohani Tojikiston" and the Open Joint Stock Company "Tojiktelecom" value added tax and income tax | 100 percent |
| on the State Savings Bank "Amonatbank" income tax | 100 percent |
| on investment project management centers, diplomatic missions, consulates and persons equivalent to them, income tax on mobile communication companies value added tax and excise tax | 100 percent |
|  except OJSC "Tajiktelecom") | 100 percent |

1. Deductions of funds from national taxes and income received from taxpayers located on the territory of the Republic of Tajikistan to the republican and local budgets in the following proportions percent):

Table 7.4.

|  |  |
| --- | --- |
| **Value Added Tax:** |  |
| to the budgets of regions, cities and districts except for the cities of Dushanbe, Tursunzade and Vahdat) | 100 percent |
| by city tour Tursunzade | 100 percent to the republican budget |
| by city trip Dushanbe | 50 percent to the city budget and 50 percent to the republican budget |
| by city trip Vahdat | 80 percent to the city budget and 20 percent to the republican budget |
| Income Tax: |  |
| to the budgets of regions, cities and districts except for the cities of Dushanbe, Rogun, Tursunzade and Gissar district) | 100 percent |
| by city trip Dushanbe | 50 percent to the city budget and 50 percent to the republican budget |
| by city Rogun | 42 percent to the city budget and 58 percent to the republican budget |
| by city tour Tursunzade | 100 percent to the republican budget |
| in the Hissar region | 70 percent to the district budget and 30 percent to the republican budget |
| Income Tax: |  |
| To the budgets of areas, cities and districts, except for the Sughd region, cities of Dushanbe and Rogun, Gissar district and Rudaki district) | 100 percent |
| on the Sughd region | 74 percent to the regional budget and 26 percent to the republican budget |
| in the city of Dushanbe | 65 percent to the city budget and 35 percent to the republican budget |
| by city Rogun | 50 percent to the city budget and 50 percent to the republican budget |
| in the Hissar region | 75 percent to the district budget and 25 percent to the republican budget |
| in Rudaki district | 75 percent to the district budget and 25 percent to the republican budget |
| Road user tax: |  |
| to the budgets of regions, cities and districts | 100 percent |
| excises: | 100 percent |
| to the budgets of regions, cities and districts | 100 percent |
| Special tax regime: | 100 percent |

Tax revenues received in excess of the approved plan in the republican budget for the city of Dushanbe are transferred to the budget of the city of Dushanbe.

***Questions to reinforce topic 7.***

*1. What are the sources of income of the republican budget?*

*2. Name the national taxes of the Republic of Tajikistan.*

*3. What are the local taxes in the Republic of Tajikistan?*

*4. What are the non-tax sources of the national budget?*

*5. What is the income of the republican budget from extra-budgetary sources?*

*6. Name the principles of organization of the state budget system of the Republic of Tajikistan.*

*7. What is inter-budgetary relations?*

*8. What are the principles of inter-budgetary relations?*

*9. What is a grant?*

*10. What is a subsidy?*

*11. What is a subsidy?*

*12. What is a transfer?*

*13. Explain the content of the budget classification.*

*14. What are the types of budget classifications in the Republic of Tajikistan?*

*15. What are the tables of revenues and expenditures of the budget of the Republic of Tajikistan in Part 1 of the Budget Classification - "Classification of revenues and expenditures"?*

*16. What methods do you know to regulate budget revenues?*

**Tests on topic 7.**

**1. Taxes are payments of the nature of ......,** a) mandatory, b) voluntary, c) social, d) tax.

**2. The tax system of the Republic of Tajikistan on taxes:**

a) national, b) national and local, c) non-tax revenues, d) local.

**3. Tax revenues of the state budget include:**

a) national and local taxes;

b) national taxes, other obligatory payments, local taxes;

c) national taxes and other obligatory payments, the list and rates of which are determined by the legislation of the Republic of Tajikistan;

d) nationwide taxes, grants, budget loans.

**4. Expenditures of the state budget of the Republic of Tajikistan are divided into which groups depending on their economic significance?**

а) current and main;

b) national and local;

c) general and sectoral;

d) sectoral and regional.

**5. Which of these entities is a participant in the budget process in the Republic of Tajikistan?**

a) the National Bank of Tajikistan;

b) tax and customs authorities;

c) monetary and foreign exchange regulatory bodies;

d) commercial enterprises.

**6. How long does the Ministry of Finance of Tajikistan have to submit to the Government of the Republic of Tajikistan the drafts of the state budget, the republican budget and the budgets of the state target funds for the next fiscal year?**

**Problem solving on topic 7.**

**Issue 1.**

The employee was paid 500 somoni in January. The amount of income tax is calculated as follows:

Solution: 500 somoni-1% = 5 somoni, here, 5 somoni - the amount of social tax, determined at the rate of 1 percent of the total amount of salary; 495 somoni - is a taxable source for calculating income tax; 495-140 = 355 is deducted because according to the Tax Code more than 140 somoni is calculated at the rate of 13%, 355 \* 13 = 46.15 somoni. 140-50 = 90 currently according to the amendments to the Tax Code from November 14, 2016, №1367 from 90 \* 8 = 7.2 somoni. In total, the amount of income tax is equal to 53.35 somoni.

**Issue 2.**

The volume of goods at the enterprise last year was 2,540 thousand Somoni, sales profit was 520 thousand Somoni. In the current year, the volume of goods increased by 12% compared to the previous year, and profit increased by 18%. Determine the increase in profitability of all goods sold.

Solution: Volume of goods in the current year

Mm = 2 520 · 1,12 = 2 822,4 thousand somoni;

Profit from sales in the current year

Ф = 520 · 1,18 = 613,6 thousand somoni.

Profitability of all goods sold

a) in the previous year Fm = ·100% = 20,5%;

b) in the current year Fm = ·100% = 21,8%.

Profitability of all goods sold in the current year increased by 1.3% (21.8 - 20.5), which indicates an improvement in the financial performance of the enterprise.

**CHAPTER 8. STATE BUDGET EXPENDITURE SYSTEM OF THE REPUBLIC OF TAJIKISTAN**

**8.1. Classification of state budget expenditures.**

**8.2. Budget credit, subsidies, subventions, investments.**

**8.3. Structure of expenditures of the state budget of the Republic of Tajikistan for 2021**

**8.1. Classification of state budget expenditures**

Budget expenditures represent the process of allocation and use of financial resources accumulated in the budgets of all levels of the budget system, in accordance with the laws on budgets for the corresponding financial year. Formation of expenditures of budgets of all levels of the budget system is based on:

• uniform methodological foundations;

• standards of minimum budgetary provision;

• financial costs for the provision of public services established by the Government of the Republic of Tajikistan. Budget expenditures, depending on their economic content, are divided into current and capital expenditures. This grouping is established by the economic classification of expenditures of the budgets of the Republic of Tajikistan. Capital expenditures of budgets - part of the expenditures of budgets associated with expanded reproduction, during the implementation of which property is created or increased, which is in the ownership of the Republic of Tajikistan, local formations.

Capital expenditures support innovation and investment activities. These include expenses intended for investment, for capital repairs, funds provided as budget loans for investment purposes, etc.

The development budget is formed as part of the capital expenditures of the budgets. Current expenditures of budgets

- part of budget expenditures, ensuring the current functioning of state authorities, local government, budgetary institutions, providing state support to other budgets and certain sectors of the economy in the form of grants, subsidies and subventions. The provision of budgetary funds is carried out in the following forms:

• appropriations for the maintenance of budgetary institutions;

• funds to pay for goods, works and services performed by individuals and legal entities under state or local contracts;

• transfers to the population budgetary funds for financing mandatory payments to the population: pensions, scholarships, allowances, compensations, other social payments established by the legislation of the Republic of Tajikistan, legal acts of local government bodies), budget loans to legal entities, subventions and subsidies legal entities;

• grants to individuals and legal entities for the implementation of scientific research work;

• investments in the authorized capital of legal entities;

• budget loans, grants, subventions and subsidies to budgets of other levels of the budget system, state extra-budgetary funds; loans to foreign states;

• funds for servicing and repayment of debt obligations, including state and local guarantees;

• tax expenses in the amount of tax credits granted, deferrals and installments for the payment of taxes and other obligatory payments to the budget. In budget expenditures, a significant share is occupied by the costs of budgetary institutions, including:

• wages;

• transfer of insurance contributions to state extra-budgetary funds;

• transfers to the population;

• travel and other compensation payments to employees provided for by law;

• payment for goods, works and services under the concluded state or local contracts;

• payment for goods, works and services in accordance with the approved estimates without the conclusion of state or local contracts.

**8.2. Budget credit, subsidies, subventions, investments**

Along with gratuitous and irrevocable budgetary appropriations, funds are allocated from the budget on a repayable and paid basis in the form of budget loans to legal entities that are not state or local unitary enterprises, budgetary institutions. A budget loan is provided on the basis of a concluded agreement, provided that the borrower provides security for the fulfillment of his obligation to repay the loan. Methods of ensuring the fulfillment of obligations for the return of a budget loan are: bank guarantees, sureties, pledge of property, including in the form of shares, other securities, shares, in the amount of at least 100% of the loan provided. Ensuring the fulfillment of obligations must have a high degree of liquidity. The authorized state bodies, local government bodies and budgetary institutions represent, respectively, the Republic of Tajikistan local education in the agreement on the provision of a budgetary loan.

A prerequisite for granting a budget loan is a preliminary check of the financial condition of the recipient of a budget loan by a financial body or, on its behalf, by an authorized body. The authorized bodies have the right to check the recipient of the budget loan at any time of the loan. They also check the intended use of the budget loan. Funds from the budget loan are transferred to the borrower to his budget account with a credit institution.

Operations and payments at the expense of budgetary credit are carried out by the borrower independently in accordance with the purposes of its receipt. The law on the budget for the next financial year specifies the goals, conditions, procedure for granting, budgetary credit limits. The report on budget execution is accompanied by a report on the provision and repayment of budget loans. The return of the provided budgetary funds, the payment for their use are equated to payments to the budget. A budget loan is provided to legal entities that have no overdue debts on previously provided budget funds on a repayable basis. Budget loans interest-bearing and interest-free) are provided to state or local unitary enterprises on the terms and within the limits stipulated by the respective budgets.

The recipients of the budget loan, in accordance with the agreement, undertake obligations to return it and pay interest on time. They provide information and a report on the use of the budgetary credit to the bodies executing the budget and control bodies of the relevant legislative or representative bodies. Bodies executing the budget keep registers of all provided budgetary credits for their recipients. A budgetary loan is budget funds presented to the budget of another level on a repayable, gratuitous or reimbursable basis for a period not exceeding six months within a financial year. Budget loans expand the possibilities for reallocation of funds within the budgetary system. Due to these loans, a temporary need for funds is covered, caused by a temporary step between the receipt of income and the financing of expenses.

This is the so-called cash gap. Subsidies are budgetary funds provided on the basis of shared financing of targeted expenditures within the budgetary system to individuals and legal entities. Subventions are budget funds provided on a gratuitous and non-refundable basis to finance targeted expenditures within the budget system or to legal entities.

Subsidies and subventions to legal entities that are not state or local unitary enterprises, budgetary institutions, as well as citizens-entrepreneurs are provided from:

1) the state budget in accordance with state target programs and laws, on the conditions and in the manner determined by the state law on the state budget for the next financial year;

2) local budgets in accordance with state target programs and laws, regional target programs and decisions of representative bodies of local government, on the conditions and in the manner determined by legal acts of local government bodies.

In case of improper use within the time frame established by the executive authorities, as well as in cases of non-use within the established time frame, subsidies and subventions are subject to return to the relevant budget. Of particular importance in budget expenditures are the costs of financing budget investments. They are provided for by the relevant budget, subject to their inclusion in the state or local target program or in accordance with the decision of the state executive body or local self-government body.

The provision of budget investments to legal entities that are not state or local unitary enterprises means the emergence of the right of state or local ownership to an equivalent part of the authorized capital and property of the legal entity. legal entities and is formalized by the participation of the Republic of Tajikistan and local entities in the authorized capital of such legal entities. Budget investments are included in the draft budget if there is a feasibility study of the investment project, design and estimate documentation, a plan for the transfer of land and structures, a draft agreement between the Government of the Republic of Tajikistan, local government and a legal entity on the participation of the Republic of Tajikistan or local education in the ownership of the subject investment. Production and non-production facilities created with the involvement of budgetary funds in an equivalent part of the authorized capital and property are transferred to the management of the relevant state or local property management bodies.

**8.3. Structure of expenditures of the state budget of the Republic of Tajikistan for 2021**

State budget expenditures for 2013 are provided for by sections and subsections of the functional classification of state budget expenditures in the following amounts: The total amount of expenditures of the State Budget of the Republic of Tajikistan for 2013 was approved in the amount of 12,268,071 thousand somoni, including for financing the areas indicated in Table 8.1

Table 8.1.

Total expenditures of the State budget of the Republic of Tajikistan

|  |  |  |
| --- | --- | --- |
|  | expenditures | **Сумма, сомони** |
| 1. | Government agencies | - 684423 thousand somoni; |
| 2. | power and control | - 447840 thousand somoni |
| 3. | Defense off-print) | and off-print ships) |
| 4. | law enforcement | - 576961 thousand somoni; |
| 5. |  authorities, law enforcement | - 2130836 thousand somoni; |
| 6. | education | - 910715 thousand somoni; |
| 7. | health care | - 2170655 thousand somoni; |
| 8. | Social protection of the population | 438989 thousand somoni |
| 9. | cultural and | 725342 thousand somoni; |
| 10. | recreational activities | 1712688 thousand somoni; |
| 11. | Housing - communal services and environmental protection | 309333 thousand somoni |
| 12. | Fuel and energy complex | 112447 thousand somoni; |
| 13. | branches of agriculture, | 1159497 thousand somoni; |
| 14. | land management and water management | 29843 thousand somoni; |
| 15. | Extraction and processing of useful | 858503 thousand somoni; |
| 16. | minerals, mining | 421375 thousand somoni; |

Republican budget expenditures by functional classification The approved expenditures of the republican budget for 2013 by functional type of distribution in the following amounts:

Table 8.2

|  |  |  |
| --- | --- | --- |
| Financing of public | 454111 | thousand somoni |
| authorities and administration |  |  |
| including: | 1082236 | thousand somoni |
| public authorities and administrations | 103207 | thousand somoni |
| financial and fiscal policy | 146407 | thousand somoni |
| foreign policy activity | 96261 | thousand somoni |
| other government bodies | 424423 | thousand somoni |
| Defense is not for print) | 475419 | thousand somoni |
| Law enforcement, judiciary and prosecutors (out of print) | 480873 | thousand somoni |
| Education |  | thousand somoni |
| including: | 138719 | thousand somoni |
| secondary education | 196455 | thousand somoni |
| higher and secondary vocational education | 145699 | thousand somoni |
| other activities in the field of education | 161415 | thousand somoni |
| healthcare |  | thousand somoni |
| including: | 100716 | thousand somoni |
| Hospitals | 1588 | thousand somoni |
| polyclinics | 10021 | thousand somoni |
| public health | 49189 | thousand somoni |
| other health activities | 386008 | thousand somoni |
| Social protection of the population |  | thousand somoni |
| including: | 205669 | thousand somoni |
| social insurance | 26082 | thousand somoni |
| social protection | 154257 | thousand somoni |
| other activities in the field of social insurance and social protection of the population | 253751 | thousand somoni |
| Cultural - mass, |  | thousand somoni |
| wellness and social events | 3623 | thousand somoni |
| including: | 52490 | thousand somoni |
| sports events | 79278 | thousand somoni |
| Cultural and educational institutions | 118360 | thousand somoni |
| mass media | 47856 | thousand somoni |
| other activities in the field of cultural and sports events | 1228778 | thousand somoni |
| Housing and communal services and environmental protection | 103849 | thousand somoni |
| Fuel and energy complex |  | thousand somoni |
| Branches of agriculture, land management and water management | 5000 | thousand somoni |
| including: | 2000 | thousand somoni |
| program for the purchase of seeds of cereals, potatoes and other crops | 760 | thousand somoni |
| anti-epizootic measures | 5600 | thousand somoni |
| cotton industry development program | 1600 | thousand somoni |
| locust control program | 88889 | thousand somoni |
| horticultural and viticultural pest and disease control program | 91703 | thousand somoni |
| other programs in the agricultural sector, land management and water management costs | 134522 | thousand somoni |
| Extraction and processing of minerals, mining and construction | 28688 | thousand somoni |
| Transport and communication | 1474080 | thousand somoni |
| Other sectors of the economy and services |  | thousand somoni |
| Other events | 421375 | thousand somoni |
| including: |  | thousand somoni |
| service of government debt | 338262 | thousand somoni |
| of them: | 83113 | thousand somoni |
| external debt service | 11000 | thousand somoni |
| domestic debt service | 46300 | thousand somoni |
| expenses of the city of Dushanbe for the implementation of the function of the capital |  | thousand somoni |
| Contingency Fund of the Government of the Republic of Tajikistan | 5000 | thousand somoni |
| including | 995405 | thousand somoni |
| To the State Committee for Investments and State Property Management of the Republic of Tajikistan to create a business support fund |  | thousand somoni |
| other expenses not classified by industry | 220000 | thousand somoni |
| including: | 629236 | thousand somoni |

Republican budget expenditures by economic classification In 2013, the expenditures of ministries, departments, organizations at the expense of the republican budget according to economic classification are carried out in the following amounts:

|  |  |  |
| --- | --- | --- |
| a) current expenses | 3954949 | thousand somoni |
| spending on goods and services | 2473962 | thousand somoni |
| including: |  | thousand somoni |
| wages and salaries | 984773 | thousand somoni |
| social insurance and pensions | 123074 | thousand somoni |
| other purchases of goods and services | 1366115 | thousand somoni |
| of them: |  | thousand somoni |
| payment for the use of gas, | 101266 | thousand somoni |
| electricity, communications and other utilities | 1264849 | thousand somoni |
| acquisition of low-value equipment, inventory, other goods and services | 421375 | thousand somoni |
| Service of internal and external debt | 1059612 | thousand somoni |
| Subsidies and other current transfers |  | thousand somoni |
| including: | 62719 | thousand somoni |
| subsidies and transfers to enterprises and government organizations | 651736 | thousand somoni |
| transfers to other organ levels | 284497 | thousand somoni |
|  government controlled |  | thousand somoni |
| transfers to the population | 117901 | thousand somoni |
| of them: | 60660 | thousand somoni |
| pension provision for law enforcement agencies and civil servants | 1784430 | thousand somoni |
| transfers to foreign organizations |  | thousand somoni |
| b) capital expenditures | 106190 | thousand somoni |
| including: | 1652880 | thousand somoni |
| capital acquisition | 17000 | thousand somoni |
| centralized capital investment | 8360 | thousand somoni |
| purchasing goods to build stock | 6196  | thousand somoni |

Earmarked funds subventions) allocated from the republican budget to the budgets of the Gorno-Badakhshan Autonomous Region, Khatlon Region and districts of republican subordination The volume of earmarked funds subventions) from the republican budget to the budgets of the Gorno-Badakhshan Autonomous Region, Khatlon Region and districts of republican subordination was approved in the amount of 629,236 thousand somoni, including for:

Table **8.4**

|  |  |  |
| --- | --- | --- |
| Gorno-Badakhshan Autonomous Region | 130640 | thousand somoni |
| Khatlon region | 375214 | thousand somoni |
| Varzob region | 10260 | thousand somoni |
| Rasht region | 25569 | thousand somoni |
| Jirgital region | 1900 | thousand somoni |
| Nurabad region | 16110 | thousand somoni |
| Tavildara region | 10206 | thousand somoni |
| Tajikabad region | 1262 | thousand somoni |
| Faizabad region | 13701 | thousand somoni |
| Shahrinav region | 15908 | thousand somoni |

Unused funds from the wages fund at the expense of local budgets allocated from the republican budget in the form of subventions and by mutual settlements at the end of 2013 are returned to the republican budget.

***Questions to reinforce topic 8.***

1. On what basis and by which body is the draft state budget of the Republic of Tajikistan developed?

2. Explain the content of the Medium-Term Government Expenditure Program.

3. What are the reasons for the budget deficit?

4. What are the internal and external sources of financing the republican budget deficit?

5. What are the levels of the budget system of the Republic of Tajikistan?

6. Name the principles of organization of the state budget system of the Republic of Tajikistan.

7. What is inter-budgetary relations?

8. What are the principles of inter-budgetary relations?

9. What is a grant?

10. What is a subsidy?

**Tests on topic 8.**

**1. Sequestration budget in:**

a) proportional reduction of expenditures of all budget items (15, 20, 40 and more percent);

b) a corresponding increase in budget revenues (2, 5, 8 and more percent);

c) reduction of the budget deficit accordingly (5, 10, 15 and more percent);

 d) proportional reduction of budget expenditures (5, 10, 15 and more percent), except for protected items;

**2. External opinion on the report on state budget execution is prepared by which of the following bodies?**

a) the Ministry of Finance of Tajikistan;

b) the National Bank of Tajikistan;

c) tax authorities;

d) state financial control bodies.

**3. What is the excess of budget expenditures over revenues?**

a) budget balance (equality);

b) budget surplus;

c) budget deficit;

d) sequestration will.

**4. Which of these principles is used in the formation of the state budget system of the Republic of Tajikistan?**

a) full independence of budgets;

b) balance of budgets;

c) budget self-financing;

d) secrecy of budgets.

**5. Grants are:**

a) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity on a gratuitous or non-refundable basis for the performance of certain targeted expenditures;

c) budget funds allocated to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of certain target and current expenditures.

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

**6. Financial assistance (subsidy) is:**

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided free of charge to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals for the implementation of current expenditures.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, as well as to individuals and legal entities, on the condition of partial financing of targeted expenditures;

d) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover capital expenditures.

**7. Subsidies are:**

a) budget funds provided to the budget of another level of the budget system of the Republic of Tajikistan to cover current expenses free of charge.

b) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan, enterprises and the population free of charge to cover basic expenses.

c) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or legal entities and individuals free of charge for the implementation of current expenditures.

d) budgetary funds provided to the budget of another level of the budget system of the Republic of Tajikistan or a legal entity free of charge or on a non-refundable basis for the performance of certain targeted expenditures.

**8. Tax revenues of the state budget include:**

a) national and local taxes;

b) national taxes, other obligatory payments, local taxes;

c) national taxes and other obligatory payments, the list and rates of which are determined by the legislation of the Republic of Tajikistan;

d) nationwide taxes, grants, budget loans.

**9. Expenditures of the state budget of the Republic of Tajikistan are divided into which groups depending on their economic significance?**

а) current and main;

b) national and local;

c) general and sectoral;

d) sectoral and regional.

**10. Which of these entities is a participant in the budget process in the Republic of Tajikistan?**

a) the National Bank of Tajikistan;

b) tax and customs authorities;

c) monetary and foreign exchange regulatory bodies;

d) commercial enterprises.

**Solve examples and problems on topic 8.**

**Issue 1.**

Bed turnover is calculated based on the distribution of days of use and the average number of days a patient is in the hospital. For example, the number of days of bed use is 294 days per year, and the average number of days of treatment is 14 days. Calculate bed turnover per year.

Solution: 294: 14 = 21 revolutions per year.

**Issue 2.**

The variable cost of the enterprise is 1,000 somoni per unit of output. Fixed costs are equal to 400,000 somoni per year. The unit selling price is equal to 1,800 somoni. Determine the volume of sales per unit in which the enterprise begins to make a profit (break-even point).

Solution: Leave the data given in formula (21) to find the volume of sales in units, where the enterprise begins to make a profit (break-even point).

1800 ∙ У = 400 000 + 1000 ∙ У;

1800 ∙ U - 1000 ∙ U = 400 000;

800 ∙ У = 400 000;

*У* = = 500 unit

**Issue 3.**

Total state budget expenditures in 2019 will amount to 21.7 million somoni, and expenditures on education will amount to 5.1 million somoni. Somoni, in 2020 it will be 23.3 and 5.5 million somoni, respectively. Somoni, to determine the relative increase or decrease of budget expenditures on education in 2020 compared to 2019.

**CHAPTER 9. STAGES AND PROCEDURES OF THE BUDGETARY PROCESS**

**9.1. The essence and concept of the budgetary process.**

**9.2. Stages of the budget process.**

**9.3. The procedure for drawing up draft budgets of the Republic of Tajikistan.**

**9.4. Report on the execution of the state budget of the Republic of Tajikistan.**

**9.1. The essence and concept of the budget process**

The budgetary process is the preparation, consideration, approval and execution of all types of the state budget. The budget process is the activity of public authorities, local governments and participants in the budget process, regulated by the norms of law, for the preparation and consideration of draft budgets of state trust funds, the approval and execution of budgets and budgets of state trust funds, as well as for control over their execution. An integral part of the budget process is budget regulation, which is a partial redistribution of financial resources between budgets of different levels. The budget process lasts about three and a half years, and this time is called the budget period, that is, this is the time during which the budget process lasts.

The financial year is the time during which the execution of the state budget, which has the force of law, is mandatory. Participants in the budget process.

The budget process involves:

- President of the Republic of Tajikistan;

- legislative representative) authorities; - executive agencies;

- bodies of monetary and foreign exchange regulation;

- local representative and executive bodies of state power;

- state trust funds;

- the main manager, administrators and recipients of budgetary funds;

- budgetary institutions, state unitary enterprises and unitary enterprises of local government bodies, credit organizations that carry out operations with budget funds;

- other bodies entrusted by the legislation of the Republic of Tajikistan with powers in the field of financial, budgetary and tax administration. The concept of a fiscal year is important to the budgeting process.

The financial year may coincide with the calendar year from January 1 to December 31), but in a number of countries its beginning has been shifted to March 1 or April 1. When allocating budget funds, it is necessary to determine to whom and how much is owed. For this, a budget list is drawn up. With the help of the budget inventory, recipients of budget funds, managers of public funds government bodies authorized to dispose of state budget funds and distribute them among recipients) are determined. The lists related to the recipients of budget funds are approved by the administrators of budget funds. Treasury budget execution Budget funds are stored in the treasury accounts. Collection, spending, storage of state budget funds are organized by a special state financial institution - the treasury. The existence of the treasury is objectively determined by the need to comply with the principle of the unity of the place of collection, storage and payment of budgetary funds.

The main tasks of the Treasury:

-accounting taxes and payments to the state budget;

-distribution of income between budgets of different levels;

-accounting benefits and deferrals provided by taxpayers; -reciprocal settlements between budgets of different levels;

-providing targeted and effective spending of funds;

-management of income and expenditures of the state budget on the accounts of the Treasury.

**9.2. Stages of the budget process**

The budgeting process consists of four stages: The first stage of the budgeting process is drafting the budget. It is preceded by the development of plans and forecasts for the development of the territory and target programs of the Republic of Tajikistan and sectors of the economy, as well as the preparation of consolidated financial balances, on the basis of which the executive authorities develop draft budgets. Drafting budgets is the exclusive prerogative of the Government of the Republic of Tajikistan, the relevant executive authorities and local self-government bodies. Directly drafting budgets is carried out by the Ministry of Finance of the Republic of Tajikistan and financial bodies of local self-government. The drafting of the state budget begins no later than 10 months before the start of the next financial year.

The Government of the Republic of Tajikistan organizes a step-by-step work on the preparation of the draft state budget. At a certain time, forecasts of socio-economic development, a consolidated balance of financial resources, the main directions of the budgetary policy of the Republic of Tajikistan are drawn up, the control figures of the draft state budget for the corresponding period and other documents are calculated. Territorial executive authorities are conducting a detailed study and coordination of indicators of socio-economic development and target figures for the state budget. This stage ends with the fact that no later than August 20 of the year preceding the next financial year, the Government of the Republic of Tajikistan considers the draft budget and other accompanying documents and materials provided by the Ministry of Finance of the Republic of Tajikistan and other state executive bodies, and approves the draft state law on state budget for submission to Machlisi Namoyandagon.

The second stage of the budgeting process is the review and approval of the budget. Simultaneously with the draft state law on the state budget, the Government of the Republic of Tajikistan submits to Machlisi Namoyandagon draft state laws: on amendments and additions to the legislative acts of the Republic of Tajikistan on taxes and fees; on the budgets of state trust funds of the Republic of Tajikistan; on the rates of insurance contributions to state trust funds for the next financial year - until August 1. Machlisi Namoyandagon is considering the draft state law on the state budget for the next financial year in readings. The third stage of the budgeting process is budget execution. Currently, the treasury execution of budgets is being established.

The executive authorities are responsible for organizing the execution of budgets, managing budget accounts and budgetary funds. These bodies are cashiers of all administrators and recipients of budgetary funds and make payments at the expense of budgetary funds on behalf of and on behalf of budgetary institutions. The execution of the state budget and other budgets ends on December 31. The fourth stage of the budget process is the preparation, consideration and approval of the budget execution report. At the end of each financial year, the Minister of Finance issues an order to close the year and prepare a report on the execution of the state budget as a whole and the budget of each state trust fund separately. On the basis of this order, all recipients of budgetary funds prepare annual reports on income and expenditures.

The main administrators of budgetary funds bring together and summarize the reports of the subordinate budgetary institutions. At all stages of the budgetary process, state financial control must be exercised.

**9.3. The procedure for drawing up draft budgets of the Republic of Tajikistan**

Drafting the state budget of the Republic of Tajikistan for the next financial year and the Medium-term program of public expenditures is the exclusive prerogative of the Government of the Republic of Tajikistan. The draft state budget is drawn up on the basis of the forecast of the socio - economic development of the Republic of Tajikistan, sectors of the economy, the consolidated financial balance and taking into account the achievement of the minimum state social standards on the basis of the standards of financial costs for the provision of public services, other standards established by the legislation of the Republic of Tajikistan.

The process of drafting the state budget consists of two stages:

- drawing up a Medium-term program of public expenditures;

- drawing up a draft state budget for the next financial year. The work on the preparation of the Medium-Term Public Expenditure Program is organized by the Ministry of Finance of the Republic of Tajikistan on the basis of the decision of the Government of the Republic of Tajikistan to start the development of the draft Medium-Term Public Expenditure Program. The purpose of the development of the Medium-Term Public Expenditure Program is to create opportunities for the management of financial resources of the state in accordance with the long-term and medium-term goals and priorities of public policy.

The medium-term public expenditure program serves as the basis for drawing up the draft state budget for the next financial year.

The list of information for drawing up the Medium-Term Public Expenditure Program and the corresponding sectoral sectoral) medium-term public expenditure programs includes:

- forecast of socio-economic development of the Republic of Tajikistan for the year preceding the next financial year and three subsequent years;

- the main directions of the fiscal, monetary and foreign exchange policy of the Republic of Tajikistan for the next three years;

- forecast of the consolidated financial balance for the year preceding the next financial year and the next three years with certain ceilings for state financing of industries sectors);

- targeted investment program for the next three years with corresponding funding ceilings;

- the structure of public debt, the program of public internal and external borrowing for the year preceding the next financial year and for the next three years.

The executive bodies of state power responsible for state policy in the relevant sectors, within the established time frame, develop and submit to the Ministry of Finance of the Republic of Tajikistan sectoral sectoral) medium-term programs of public expenditures, signed by the heads of these bodies. In case of failure to submit in due time, sectoral sectoral) programs of public expenditures are developed by the Ministry of Finance of the Republic of Tajikistan. In the process of drawing up the Medium-Term Public Expenditure Program, the Ministry of Finance of the Republic of Tajikistan has the right to demand and receive from the executive bodies of state power all the information it needs. The Ministry of Finance of the Republic of Tajikistan, within the time frame established by the Government of the Republic of Tajikistan and on the basis of sectoral sectoral) medium-term public expenditure programs, prepares a draft Medium-term public expenditure program and submits it for consideration to the Government of the Republic of Tajikistan. The Government of the Republic of Tajikistan, by July 1, approves and publishes the draft Medium-Term Program of Public Expenditures and submits it for information to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan.

To draw up the draft state budget, the following documents and materials are prepared: - forecast of socio-economic development of the Republic of Tajikistan for the next financial year; - the main directions of the fiscal, monetary and foreign exchange policy of the Republic of Tajikistan; - forecast of the consolidated financial balance for the next financial year;

- targeted investment program;

- public sector development plan;

- the structure of government debt, the program of government internal and external borrowing;

- the program of state guarantees;

- assessment of losses to the state budget from the provided tax benefits;

- an estimate of the expected execution of the budget for the current financial year;

- other documents and materials provided for by this Law.

The Ministry of Finance of the Republic of Tajikistan, on the basis of the decision of the Government of the Republic of Tajikistan, prepares for ministries and departments, local government bodies, budgetary institutions the Regulation on the formation of the draft budget for the next financial year, which determines the fiscal policy, the main parameters of budget revenues and expenditures, its schedule preparation and procedure for submission of calculations and justifications for budgets. Government bodies, the National Bank of Tajikistan and other owners The leading entities responsible for the socio-economic development of the republic submit to the Ministry of Finance detailed indicators of the production of goods works, services) for the reporting year and the forecast period necessary for drawing up the draft republican budget. The Ministry of Finance establishes the procedure for preparing information for the preparation and submission of estimates of budgetary institutions.

Documents submitted by budgetary institutions must include the following information;

- draft estimates of revenues and expenditures for the forthcoming budget year by sectors, groups, items and articles in accordance with the budget classification; - draft estimates of income and expenses for the medium term by sectors, groups and items in accordance with the budget classification;

- information about the network of institutions and organizations, states permanent and temporary) and the contingent for which it is necessary to provide funds;

- clarification and justification of the calculations, allowing the Ministry of Finance to review and analyze the budget proposals;

- proposals for the formation of state investment programs for the medium term, separately for each year.

The Ministry of Finance analyzes all calculations of receipts and budget payments, proposes necessary adjustments to budgetary institutions, and also determines the required volume of borrowings and possible sources of their receipt.

In case of disagreement between the Ministry of Finance and ministries, departments, other budgetary institutions regarding the preparation of the draft budget, the Ministry of Finance makes decisions and submits them for consideration to the Government of the Republic of Tajikistan.

The budgets of state trust funds are drawn up by the bodies managing these funds, in accordance with the regulations and within the time frame established by the Ministry of Finance.

In case of disagreement between the Ministry of Finance and the bodies providing the budget of state trust funds, the Ministry of Finance makes decisions and submits them for consideration to the Government of the Republic of Tajikistan. Local budgets are drawn up by local executive government bodies in accordance with the requirements of this Law, the legislation of the Republic of Tajikistan on local government bodies, and other regulatory legal acts of the Republic of Tajikistan. The local financial authority is responsible for the preparation of local budgets.

Procedure for presenting local budgets Projects of local budgets are submitted to the Ministry of Finance by the chairmen of the Gorno-Badakhshan Autonomous Oblast, oblasts, the city of Dushanbe, cities and districts of republican subordination. The submitted projects of local budgets should contain the following information: indicators of income and expenses for the next financial year and medium-term period: calculations of the required amounts of grants and subventions allocated from the republican budget. The explanations and justifications for the calculations allow the Ministry of Finance to review and analyze the budget proposals. In case of disagreement between the Ministry of Finance and local executive bodies of state power regarding the preparation of the draft local budget, the Ministry of Finance makes decisions and submits them for consideration to the Government of the Republic of Tajikistan.

The chairmen of cities and districts of regional and city subordination shall submit to the higher executive authorities the indicators of income and expenditure of budgets and calculations thereto in accordance with the requirements and rules provided for by this article.

The procedure for presenting the draft state budget The Ministry of Finance, on the basis of the submitted proposals on the budget, prepares projects of the state budget, the republican budget and budgets of state trust funds for the next financial year and submits them to the Government of the Republic of Tajikistan by September 20 of this year.

The Government of the Republic of Tajikistan, in accordance with the established procedure, considers the submitted draft of the state budget, the republican budget and budgets of state trust funds and makes an appropriate decision. The Government of the Republic of Tajikistan submits the draft state budget for the next financial year to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan for consideration annually before November 1 of the passing year.

Documents and materials submitted to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan simultaneously with the draft Law on the State Budget The Government of the Republic of Tajikistan, when submitting to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan the draft law on the state budget of the Republic of Tajikistan for the next financial year, simultaneously submits the following materials:

- preliminary results of the socio-economic development of the Republic of Tajikistan for the past period of the current year;

- forecast of social and economic development of the Republic of Tajikistan for the next financial new year;

 - the main directions of budgetary and tax policy for the next financial year;

- forecast of the consolidated financial balance for the next financial year;

- projects of republican target programs, which are financed from the republican budget;

- calculations according to the articles of the classification of the republican budget, sections and subsections of the functional classification of the budget for the next financial year;

- calculations for the main managers and managers of budgetary funds of departmental classification; - a draft program of government external borrowing and the provision of loans to foreign countries for the next financial year;

- the draft structure of the state external debt of the Republic of Tajikistan and the program of internal borrowing provided for covering the budget deficit;

- draft laws of the Republic of Tajikistan on the suspension or abolition of laws providing for the expenditure of funds from the state budget; - other documents required in accordance with the regulations of the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan; Simultaneously with the introduction of the draft law of the Republic of Tajikistan on the state budget of the Republic of Tajikistan for the next financial year, the following draft laws are introduced in the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan:

- on amendments and additions to the Tax Code of the Republic of Tajikistan to the Customs Code of the Republic of Tajikistan;

- on the budget of state trust funds. Contingency fund The contingency fund is annually included in the volume of expenditures of the republican budget.

The size of the contingency fund is determined when the annual budget is drawn up. The distribution and use of funds from the contingency fund falls under the jurisdiction of the Government of the Republic of Tajikistan.

The funds of the contingency fund are spent on overcoming the consequences of natural disasters, epidemics and other unforeseen circumstances not provided for in the annual budget.

The Government of the Republic of Tajikistan quarterly informs the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan on the expenditures of the contingency fund. Reserve Fund of the President of the Republic of Tajikistan The reserve fund of the President of the Republic of Tajikistan is set at 2 percent of the state budget revenues and is included in the republican budget.

The resources of the reserve fund of the President of the Republic of Tajikistan are spent by order of the President of the Republic of Tajikistan. Reserve fund of local executive bodies of state power

The reserve fund of local executive bodies of state power is set at 0.5% of the volume of revenues of the corresponding local budget and is included in its expenditures. The reserve fund of local executive bodies of state power is administered by the chairmen of the Gorno-Badakhshan Autonomous Region, oblasts, the city of Dushanbe, cities and districts. The procedure for using the resources of the reserve fund of local executive bodies of state power is determined by the Government of the Republic of Tajikistan.

The procedure for consideration and approval of the draft law on the state budget of the Republic of Tajikistan for the next financial year is determined by this Law.

The procedure for considering and approving a draft decision on the local budget is determined by legal acts of the local representative body of state power in accordance with the requirements. The draft law on the budget of state trust funds is considered and approved simultaneously with the law on the state budget of the Republic of Tajikistan for the next financial year.

The draft Law decision) on amendments to the tax legislation of the Republic of Tajikistan is submitted for consideration and approval by the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan, a local representative body of state power, the subject of the right of legislative initiative before the adoption of the Law decision) on the budget for the next financial year. The draft Law of the Republic of Tajikistan on the State Budget of the Republic of Tajikistan for the next financial year, adopted by Majlisi Namoyandagoni Majlisi Oliya, is not put into effect until December 31 of the current year, and financing of expenses is carried out in accordance with the law. Majlisi Namoyandagoni may adopt a law of the Republic of Tajikistan on financing expenditures from the state budget in the first quarter of the next financial year.

Draft laws on amendments and additions to the Law of the Republic of Tajikistan on the state budget of the Republic of Tajikistan for the next financial year on all issues that are the subject of regulation of the Law are submitted by the Government of the Republic of Tajikistan. In the event of a decrease or excess of budget receipts, which may lead to a change in funding compared to the approved budget by more than 10 percent of annual assignments, the Government of the Republic of Tajikistan shall represent the Majlisi Oli of the Republic of Tajikistan in the Majlisi Namoyandagoni The draft Law of the Republic of Tajikistan on amendments and additions to the Law of the Republic of Tajikistan on the state budget of the Republic of Tajikistan or the draft Law of the Republic of Tajikistan on the additional state budget of the Republic of Tajikistan for the next financial year along with the necessary documents has been developed. In the event of a decrease or excess of budget receipts, which may lead to a change in financing compared to the approved budget by less than 10 percent of annual assignments, the Government of the Republic of Tajikistan has the right to make a decision to amend the revenue and expenditure side of the state budget without changing the size of the deficit budget, which is brought to the attention of the Majlisi Namoyandagoniya Majlisi Oliya of the Republic of Tajikistan. Majlisi Namoyandagonii Majlisi Oliya of the Republic of Tajikistan considers this draft law on an extraordinary basis within 15 days.

If the draft law on amendments and additions to the law of the Republic of Tajikistan on the state budget for the next financial year is not adopted within the specified period, the Government of the Republic of Tajikistan has the right to make an appropriate decision on these issues and proportionally reduce or increase the expenditures of the state budget, provided that the Law Of the Republic of Tajikistan on the State budget for the current year does not provide otherwise. Procedure for approval of cost estimates After the approval of the State budget, the Ministry of Finance of the Republic of Tajikistan informs the ministries and departments, organizations and institutions financed from the republican budget about the funds approved for them and, in accordance with this information, the ministries and departments, organizations and institutions approve in accordance with the budget classification of the estimate their expenses for each quarter and submit to the Ministry of Finance of the Republic of Tajikistan. The procedure for drawing up and approving the cost estimate is established by the Ministry of Finance.

The approved budget expenditures of ministries and departments, other budgetary institutions may be changed and redistributed by the decision of the Government of the Republic of Tajikistan in cases stipulated by the law on the state budget of the Republic of Tajikistan for the next financial year.

Within the estimates of ministries and departments, other budgetary institutions, the redistribution of funds between items of expenditure and quarters is carried out with the consent of the Ministry of Finance.

The redistribution should not exceed two tenths of the volume of financing of the changed article and quarter.

The Ministry of Finance of the Republic of Tajikistan has the right:

- in case of revealing the facts of the use of funds of one item of expenditure for expenses under another item, violation of the requirements of economical and efficient financial management and managerial accountability, until the violations are completely eliminated, suspend expenditure transactions for the corresponding item of expenditure or reduce financing of expenses by the amount of the violations identified;

- upon expiration of the limitation period for accounts receivable and payable of budgetary institutions, reduce funding for items of expenditure for which the said debt arose by the amount of these debts;

- in cases stipulated by law, when the powers of the main manager, manager and recipient of budget funds change or the size of the annual budget deficit increases, or by decision of the Government of the Republic of Tajikistan, temporarily suspend budget financing, reduce the amount of appropriations or change the time of their allocation. In the event of reorganization or liquidation of a budgetary institution, the Ministry of Finance makes appropriate changes to the budget within the limits allocated for their maintenance.

Execution of local budgets The procedure for the execution of the local budget is similar to the procedure for the execution of the republican budget. Responsibility for the execution of the local budget rests with the financial bodies of local executive bodies of state power. Execution of budgets of state trust funds.

The execution of the budgets of state trust funds is carried out in the manner established by the Government of the Republic of Tajikistan. Responsibility for the execution of the budgets of state trust funds rests with the heads of the bodies that manage state trust funds.

Review and analysis of state budget execution After reviewing and analyzing reports on the execution of the republican budget, local budgets, budgets of state trust funds, the Ministry of Finance, on a quarterly basis, submits to the Government of the Republic of Tajikistan information with a cumulative total on the state of the state budget.

The information should contain the following information:

- reporting data on the macroeconomic and financial condition of the Republic of Tajikistan; - comparison of the volumes of actual and approved revenues, volumes of actual and approved expenditures, forfeits, deficits and borrowings of the state budget with clarification of discrepancies between approved and actual indicators;

- measures to ensure the implementation of the state budget for the remaining period. Based on the results of the review and analysis of budget execution in the reporting year, the Government of the Republic of Tajikistan makes a decision to bring the current financial year in line with the new economic circumstance and informs the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan. End of the fiscal year The right to finance the expenses provided for by the Law of the Republic of Tajikistan on the state budget of the Republic of Tajikistan for the next financial year terminates on December 31 of the current budget year. All funds available on the personal accounts of ministries and departments, other budgetary institutions financed from the republican budget, on December 31, must be summed up and transferred to a single account of the Treasury, unless the Ministry of Finance decides otherwise. Local financial bodies and governing bodies of state trust funds in a similar manner summarize the personal accounts of organizations and institutions financed from local budgets, budgets of state trust funds.

**9.4. Report on the execution of the state budget of the Republic of Tajikistan**

Periodic reports on the execution of the state budget The Ministry of Finance prepares and publishes regulatory and instructive documents for ministries and departments, other budgetary institutions, local executive bodies of state power, requiring compliance with standard accounting and reporting procedures. Ministries, departments and other budgetary institutions, in accordance with the terms established by the Ministry of Finance, submit to it quarterly reports on the implementation of estimates of income and expenses, and local executive bodies of state power quarterly reports on the execution of local budgets. Based on the results of the execution of the state budget and the republican budget, the Ministry of Finance prepares quarterly reports with a cumulative total. Local financial authorities prepare relevant reports on the execution of local budgets. The Ministry of Finance, local financial bodies submit quarterly reports on an accrual basis, respectively, to the Government of the Republic of Tajikistan and the local executive body of state power. The Government of the Republic of Tajikistan and the local executive body of state power approve the quarterly report and submit to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan, the local representative body of state power. The quarterly report is published by the relevant body in the media no later than two months after the end of the said quarter. At the end of the financial year, the Minister of Finance issues an order to close the year and prepare a report on the execution of the state budget and the budget of state trust funds. Based on the order of the Minister of Finance, all recipients of budgetary funds prepare annual reports on income and expenditures. Ministries, departments and other budgetary institutions collate the annual reports of subordinate organizations, make the appropriate decision and submit a consolidated annual report to the Ministry of Finance by March 1 of the current year. The report on the execution of the budgets of state trust funds is drawn up by the management body of these funds and submitted to the Ministry of Finance by March 1 of the current financial year. The Ministry of Finance, on the basis of annual reports of ministries, departments, budgetary institutions, recipients of budgetary funds, management bodies of state trust funds, enterprises and state customers, local executive bodies of state power and other authorized bodies, draws up an annual report on the execution of the state budget of the Republic of Tajikistan and submits it to Government of the Republic of Tajikistan until May 1 of this year. The following information should be reflected in the annual report on the execution of the state budget: - actual indicators of income and grants received for the year; - functional and economic costs in accordance with the budget classification in the context of approved and revised volumes and actual indicators; - the actual level of the budget and financing deficit; - balance of the single treasury account at the beginning and end of the year; - clarification of major discrepancies between actual budget allocations and approved budget allocations; - a report on the amount of government borrowing, government debt guarantees issued during the fiscal year, a list of outstanding government debts, information on other debt management operations; - general overview of investments from the state budget; - report on expenses at the expense of the reserve fund of the President of the Republic of Tajikistan and the contingency fund.

The Government of the Republic of Tajikistan, in accordance with the legislation of the Republic of Tajikistan, submits an annual report on the execution of the state budget to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan by June 1 of this year. Simultaneously with the report on the execution of the State budget for the reporting fiscal year, an annual report on the execution of the budget of state trust funds is submitted to the Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan.

When submitting a report on the execution of the state budget 5 to the Majlisi Namoyandagon, the following documents and materials are also submitted:

- a report on the expenditure of funds from the reserve fund of the President of the Republic of Tajikistan;

- report on the provision and repayment of budget loans;

- report on the provision of state guarantees;

- report on internal and external borrowings of the Republic of Tajikistan;

- report on income received from the use of state property;

- report on the state of internal and external debt of the Republic of Tajikistan. An external opinion on the report on the execution of the state budget comes from the state financial control body of the Republic of Tajikistan.

The conclusion of the above-mentioned body on the report on the execution of the state budget is submitted to the President of the Republic of Tajikistan, the Government of the Republic of Tajikistan, Majlisi Namoyand drive Majlisi Oliya of the Republic of Tajikistan until October 1 of this year. The officials of the aforementioned body are responsible for the inaccuracy and incompleteness of the information contained in the conclusion in accordance with the legislation of the Republic of Tajikistan.

The Government of the Republic of Tajikistan is taking the necessary measures to eliminate the deficiencies contained in the conclusion and bring to justice the guilty persons in accordance with the legislation of the Republic of Tajikistan. Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan considers and approves the annual report on the execution of the state budget for the previous financial year simultaneously with the draft Law of the Republic of Tajikistan on the State Budget of the Republic of Tajikistan for the next financial year.

The Government of the Republic of Tajikistan publishes an annual report on the execution of the state budget in the media after its approval by the Majlisi Namoyandagoni Majlisi and the Republic of Tajikistan.

***Questions for continuity of topic 9.***

1. Explain the nature and necessity of state trust funds.

2. What are the functions of state trust funds?

3. Explain the characteristics and advantages of state trust funds.

4. What are the types of state trust funds?

5. What are the sources of state trust funds?

6. Explain the nature and purpose of state target funds of the Republic of Tajikistan.

7. What state target funds operate in the Republic of Tajikistan?

8. From what sources are revenues of the state target funds of the Republic of Tajikistan formed?

9. What are the sources of income of the State Agency of Social Insurance and Pensions?

10. Name the social tax rates established by the Tax Code of the Republic of Tajikistan.

***Tests on topic 9.***

**1. State trust funds are:**

a) a set of funds at the disposal of state enterprises and institutions; b) monetary funds created within the budget; c) a set of financial resources at the disposal of state and local executive bodies, which have specific purposes for their use; d) is a part of the financial system and is included in decentralized funds.

**2. Historically, which of these parts of the financial system appeared for the first time?**

a) the state budget; b) enterprise finance; c) extra-budgetary funds; d) public debt.

3. What types of state target funds are allocated depending on their purpose?

a) political and financial; b) social and economic; c) governmental and non-governmental; d) financial and economic.

**4. Revenues of state target funds are formed from which of the following sources?**

a) loans received from enterprises and individuals; b) corporate profit tax; c) special targeted taxes and duties established by the legislation of the Republic of Tajikistan; d) local taxes.

**5. Which body collects and controls obligatory payments to the budget of state target funds of the Republic of Tajikistan?**

a) the National Bank of Tajikistan; b) Ministry of Finance; c) State Agency for Social Insurance and Pensions; d) Tax Committee under the Government of the Republic of Tajikistan.

**6. Who acts as an insurer when conducting state social insurance in the Republic of Tajikistan?**

a) the Tax Committee under the Government of the Republic of Tajikistan; b) enterprises and the population; c) State Agency for Social Insurance and Pensions; d) Ministry of Finance.

**7. In which of these areas are the assets of a non-governmental pension fund located in Tajikistan?**

a) movable property; b) housing certificates; c) government securities of the Republic of Tajikistan; d) shares of non-state enterprises.

***Problem solving on topic 9:***

**Issue 1**

**The employee was paid 1250 somoni in May. Calculate the social tax deducted from the employee's salary.**

**Solution:**

In accordance with the Tax Code of the Republic of Tajikistan, the social tax rate for individuals is set at 1% of salary.

**1250 \* 0.01 = 12.5 somoni**

**Answer: The social tax deducted from an employee's salary is 12.5 somoni.**

**Issue 2**

The salary fund of enterprise A in August amounted to 302 thousand somoni. Determine the amount of social tax that enterprise A must pay in August.

**Solution:**

**In accordance with the Tax Code of the Republic of Tajikistan, the social tax rate for legal entities is set at 25% of the salary fund. 302000 \* 0.25 = 75500**

**Answer: The social tax payable by Enterprise A in August is 75,500 somoni.**

**Issue 3**

The salary fund of the enterprise "Javoni" in August has made 800 thousand somoni. Determine the amount of social tax to be paid by Javononi in August.

**Issue 4**

**The company provides the following salaries to the following employees:**

* **Samadov AM - 3020 somoni;**
* **Boboljonov PV - 4050 somoni;**
* **Valie MA - 1200 somoni;**
* **Raljabov RO - 670 somoni;**

**Determine the amount of social tax paid by one employee each month and the amount of social tax payable by the enterprise.**

**CHAPTER 10. SYSTEM AND STRUCTURE OF TREASURY OF THE REPUBLIC OF TAJIKISTAN**

**10.1. System and structure of the treasury of the Republic of Tajikistan.**

**10.2. Single treasury accounts.**

**10.3. Execution of the republican and local budgets in terms of revenues.**

**10.4. Accounting for extrabudgetary funds.**

**10.5. Preparation of consolidated financial statements.**

**10.1. System and structure of the treasury of the Republic of Tajikistan**

The Treasury is a state body that ensures the organization of control over revenues, expenditures and treasury execution of the State budget of the Republic of Tajikistan. The Treasury is considered a structural subdivision of the Ministry of Finance of the Republic of Tajikistan.

The Treasury consists of the Central Treasury and its local branches in the Gorno-Badakhshan Autonomous Region, regions, the city of Dushanbe, cities and regions of the Republic of Tajikistan. Local treasury offices in the cities and districts of the Gorno-Badakhshan Autonomous Region, regions and the city of Dushanbe are directly subordinate to the treasury departments of the Gorno-Badakhshan Autonomous Region, regions of the city of Dushanbe.

The central treasury is headed by the director, and its local branches - by the chief. In the structure of the Central Treasury, an internal audit and control department is created to ensure the organization of control and targeted use of budget funds. The Treasury is obliged to:

- exercise control over the planned treasury execution of the republican budget, local budgets, maintain and manage single treasury accounts and single local treasury accounts:

- draw up and publish periodic reports on the treasury execution of the State Budget of the Republic of Tajikistan, as well as at the end of the financial year submit the necessary reports to the Ministry of Finance of the Republic of Tajikistan and, in accordance with the established procedure, to the Government of the Republic of Tajikistan and Majlisi Namoyandagoni Majlisi Oliya of the Republic of Tajikistan,

- to develop instructions, forms of accounting and reporting on the treasury execution of the State budget on revenues and expenditures, as well as on the procedures for the full collection of state revenues tax and non-tax receipts to the republican budget and local budgets), to consolidate all extra-budgetary funds;

- take into account state assets, including income from shares of non-state organizations owned by the state, liabilities and activities for the management and maintenance of financial assets or internal and external debt;

- to assign the relevant republican and local budgetary institutions to a certain treasury for their financing; - transfer and credit funds on time and in full in accordance with the established procedure to the accounts of budgetary institutions.

The Treasury organizes and keeps records of the collection of all government revenues, as well as all types of government expenditures made by budgetary institutions.

The accounting rules concerning the treasury execution of the republican and local budgets are determined by the Central Treasury. The republican budget and local budgets are executed on the basis of the principle of the unity of the treasury. Information about the treasury execution of the State budget of the Republic of Tajikistan in terms of revenues and expenditures contained in the financial reports of the Central Treasury is considered as the only, true and final. The Central Treasury and its local branches submit a monthly report to the Ministry of Finance of the Republic of Tajikistan, which, in terms of content, reflects a detailed classification of income and expenses. At the end of the budget year, the Central Treasury, within three months, prepares an annual report on the treasury execution of the State Budget of the Republic of Tajikistan and submits it to the Ministry of Finance of the Republic of Tajikistan.

**10.2. Single treasury accounts**

All republican budget revenues should go directly to single treasury accounts or through transit treasury accounts to local treasury offices. Unified treasury accounts - unified consolidated bank accounts of the Government of the Republic of Tajikistan, opened by the Ministry of Finance of the Republic of Tajikistan in the National Bank of Tajikistan. Single local treasury accounts - single treasury accounts opened by local treasury offices in authorized banks to serve local budgets. Transit treasury accounts of the republican budget are accounts opened by local treasury offices in authorized banks for the collection and daily transfer of republican budget revenues collected in the Gorno-Badakhshan Autonomous Region, regions, the city of Dushanbe, cities and districts of republican subordination, to single treasury accounts.

Unified treasury accounts for extrabudgetary funds are accounts to which funds received by budgetary institutions in addition to the appropriations allocated to them from the state budget of the Republic of Tajikistan are credited. The National Bank of Tajikistan, servicing single treasury accounts, and authorized banks serving single local treasury accounts, send daily bank statements to the Central Treasury and, accordingly, to local treasury offices, indicating daily receipts of income and expenses incurred.

The National Bank of Tajikistan and authorized banks serving single treasury accounts are also n on the third day of each month, a monthly daily statement of income and expenditure on the single treasury accounts is sent to the Central Treasury and local treasury branches. The central treasury and local treasury branches are served by only one authorized bank. To collect republican revenues and carry out expenditures under the republican budget, local branches of the treasury open transit accounts only in the authorized bank in which they have a single local treasury account. The authorized banks transfer the daily revenues of the republican budget received to transit accounts to the single accounts of the Central Treasury. The daily balance on transit treasury accounts in the Gorno-Badakhshan Autonomous Region, regions, the city of Dushanbe, cities and regions of the Republic of Tajikistan must be zero.

The National Bank of Tajikistan and authorized banks do not have the right to write off funds from treasury accounts or conduct any other operations without the permission of the Central Treasury and its local branches. Budgetary institutions, regardless of departmental subordination, can open, with the appropriate permission of the Minister of Finance of the Republic of Tajikistan, bank accounts somoni, foreign currency, special account) in a certain place. Budgetary institutions ensure the full crediting of income to single treasury accounts to single treasury sub-accounts, including local ones) received from the work performed and the services provided. Expenses are prohibited without the receipt of funds to the above accounts and sub-accounts.

**10.3. Execution of the republican and local budgets in terms of revenues.**

Revenues and taxes of the republican budget in national currency are transferred to the Single Treasury Account of the Central Treasury to the National Bank of Tajikistan from taxpayers, according to payment orders indicating the details of the taxpayer, bank, payment name, digital designation of tax according to the budget classification of income, amount) or through transit republican Treasury accounts located in regional branches of Amonatbank.

The authorized banks send the received taxes in the share established for the republican budget by the Law on the State Budget for the current year through transit accounts to the Treasury Single Account in the National Bank of Tajikistan with a copy of the payment order in the electronic version.

The amount of tax intended for the local budget is credited to the TSA of the local treasury office. The Central Treasury carries out daily accounting of incoming revenues to the account of the republican budget. Also, the Central Treasury records the proceeds from the sale of government securities. Funds from the sale of government securities are accounted for in the republican budget revenues and are used for the current financing of the republican budget expenditures. In case of receipt of income on the accounts of the Treasury bodies requiring clarification, the amounts of these incomes are reflected in the reports as unclarified amounts. For taxes distributed between the republican and local budgets, the receiving bank makes distribution in accordance with the Law on the State Budget.

The share of the republican budget is credited to the corresponding transit account, the share of local government bodies is credited to the treasury account of the local budget. Memorial warrants are sent to the Treasury indicating the allocation made.

A bank employee, when closing a transit account with a payment order or a memorial order, provides a decoding of the income received, by type of source, according to the budget classification. Receiving statements of the transit account, the specialist of the treasury maintains a daily report on the income sources received with a breakdown by type of income, prepares weekly, monthly reports on the income received for the regional financial department and the Ministry of Finance of the republic. In the regional financial department, all reports of districts and cities of regional subordination are summarized, verified with the data of the regional transit account according to extracts, then the report is transmitted to the Ministry of Finance of the Republic of Tajikistan.

At the end of each month, monthly income statements are prepared, based on actual income received, confirmed by reconciliations. The monthly income statement, according to the classification, is prepared according to the form and sent to the Central Treasury revenue department) for accounting. Attached to the report is a report on the collection of various taxes by the MGDS by dates in the form compiled by the sub-treasury of GBAO, the region and the city of Dushanbe collect income statements in their districts and send one general monthly report to the treasury. Monthly income reconciliation report.

At the end of each month, each district prepares a detailed income statement for the month, according to the classification. This report is signed by both the Treasury and the MGDS authorities. A copy of this signed report is sent to the Central Treasury Revenue Department) for their accounting so that any discrepancy between the figures on the collection of taxes of the Central Treasury and MGDS would soon be eliminated. Regional treasuries maintain accounts with Amonatbank. All local taxes, including the share of the local budget from revenues distributed between the republican and local budgets, are directed to these accounts. Amonatbank - the recipient distributes in terms of local budget revenues, in accordance with the Law on the State Budget, and provides an income statement with payment orders confirming the types of taxes received by the regional treasuries. Based on all the primary documents attached to the extract from the current account of the local budget, a certificate of income received on the current account main) of the corresponding budget is drawn up, which is drawn up by the accounting department of the financial authority.

The certificate indicates the section, chapter, paragraph of the budget classification, the name of the income, the number of documents and the amount of each type of payment. After drawing up the certificate, documents related to income, according to which the department inspection) of state revenues keeps records of the personal accounts of payers, are transferred against the receipt of an employee of this department inspection). For incomes administered directly by the budget department or by the senior budget inspector, the documents remain in the accounting department of the financial authority, and a receipt for them is not required in the certificate. For the total amount of income, the required correspondence of accounts is provided with a memorial warrant, an extract from the current account main) of the local budget and other documents in the affairs of the accounting department of the financial authority.

All revenues going to the local budget are reflected in the income book. This book takes into account the revenues received by local budgets and the amount of outstanding revenues. The "Table of Contents" section of this book lists all types of income that go into this budget, i.e. the section, chapter and paragraph of the budget classification, the full name of each type of income and the line number of the book assigned for this or that type of income are indicated. Analytical accounting in this book is kept separately for each type of income.

On the basis of a memorial warrant and a certificate of income received, entries are made in the book in the "Credit" columns according to the corresponding lines established for each type of income. If the paid amount of taxes, fines and interest exceeds the accrued amount of tax, fines and interest, then the overpaid amounts are refunded or offset to taxpayers. Return or offset operations are carried out in the order of non-cash settlements with the corresponding budget. Excessive amounts of payments overpayments) received into the budget shall be set off as repayment of arrears on other payments without a statement from the payers. In the absence of arrears, the amounts of overpayments are credited against other payments for which the payment deadlines have not come, or are returned at the request of the payer. Companies with tax arrears do not receive planned government subsidies for the amount of arrears.

Offsetting operations are carried out without submitting a payment order to the bank, by making changes, according to the payment order, on the income and expenses of the single treasury account of the Central Treasury or the single local treasury account. In the course of budget execution between the republican and local budgets, budget funds are redistributed mutual settlements), budget funds are transferred from the republican to local budgets or vice versa. Mutual settlements are settlements between budgets of different levels and settlements between budgetary and other entities used in the process of executing the State budget. The Budget Department prepares an order for mutual settlements and, after signing it, transfers it to the Central Treasury for execution.

The Central Treasury fills out payment documents for mutual settlements and transfers the established funds to the appropriate budget. In cases of transfer of funds by mutual settlements to all regions for the intended purpose, the codes of the budget classification according to the functional and economic principle of the distribution of the recipient of financing are not put in the payment documents. In the course of execution of the budget for mutual settlements, a notification about the mutual settlements made is sent to the local financial authority.

By simply calculating the largest amount of mutual settlements minus the smallest amount, the balance of mutual settlements is determined. For example: the republican budget owes 755 thousand somoni according to mutual settlements of the Sughd region, at the same time the Sughd region must transfer 435 thousand somoni to the republican budget. The balance of mutual settlements is determined: 755 thousand somoni -435 thousand somoni = 320 thousand somoni, that is, the republican budget must transfer 320 thousand somoni, taking into account mutual settlements. In this regard, a letter is sent to the Regional Financial Department about the mutual settlements. Also produced by and calculations in the case when the local budget owes the republican budget. In this case, the reverse operation is performed. Excessively credited amounts of deductions from state taxes and revenues symbol 96 of the statements of banks) are recorded in the book of local budget revenues in a separate line.

The return of incorrect or excessively received income is recorded in chronological order, in the “Debit” columns established for this, where the number of the memorial order, section, chapter, paragraph, amount is indicated. At the end of the month, these operations are systematized according to the homogeneity of the types of income for which the return was made, and the total amounts of returned income for each type are entered on the corresponding lines in the "Total for the month" column by debit, after which the totals for each type of income for the current month, from the beginning of the year as a whole on the account №4. In cases where the returned amount exceeds the receipts from the beginning of the year for this type of income for example, when the income tax is refunded at the beginning of the year according to the recalculation for the past year), the resulting negative balance is recorded in the column "Total from the beginning of the year" in red ink. The amounts of outstanding receipts are recorded in this book on account No. 41. In cases where the number of lines on one page is not enough for the records of transactions for a month, the following pages of the book are used for certain types of income.

The accounting of state tax receipts and revenues received in city cities of district subordination), settlement and kishlak budgets is carried out by non-systemic regional financial departments in a statement in the form established by the Ministry of Finance of the Republic of Tajikistan or regional financial departments, depending on local conditions. In this statement, receipts of state taxes and revenues are recorded for each lower budget, as well as for the district budget as a whole, in the amount of the following indicators: the name of the tax or income, the amount. Records in the statement are made as soon as the statement of receipts to local budgets is received from the institution of the National Bank of Tajikistan. At the end of each month, the statement displays the totals for the month and from the beginning of the year.

The sums of receipts from state taxes and revenues for each budget are reconciled on a monthly basis with reports on the execution of city budgets and reports on the execution of budgets of kishlak and settlement Khukumats. In addition, the sums of state tax receipts and revenues as a whole for the district budget for each type of income are compared with the data of the monthly reporting of bank institutions.

**10.4. Accounting for off-budget special) funds Work with extrabudgetary special) funds is regulated by the**

"Regulations on Extrabudgetary Funds" approved by order of the Ministry of Finance of the Republic of Tajikistan No. 74 dated April 27, 2001. Extra-budgetary funds are funds received by budgetary institutions in addition to the appropriations allocated to them from the State Budget of the Republic of Tajikistan. Extra-budgetary funds include: special funds, amounts on instructions, deposit amounts, income from subsidiary plots and others. The formation of new extra-budgetary funds with the definition of sources of income and the permissible purposes of their spending by institutions on the republican budget is allowed with the permission of the Ministry of Finance of the Republic of Tajikistan, institutions on the local budget, with the permission of the relevant financial bodies in the field. Budgetary institutions that receive income from the sale of products, the performance of work, the provision of services or the implementation of other permitted activities, send them to the Single treasury off-budget account in the OPERU of the National Bank of Tajikistan. Separate records are kept for each budgetary institution in accordance with the classification of revenues and expenditures of the budget of the Republic of Tajikistan. Budgetary organizations develop and approve in a higher organization the Regulation on extrabudgetary funds, which is coordinated with the Ministry of Finance.

Estimates of income and expenses for extra-budgetary funds are also approved by a higher organization and agreed with the State Budget Department of the Ministry of Finance. The estimate of revenues and expenditures agreed with the Department of the State Budget is transferred to the Central Treasury in the Department of Extrabudgetary Funds for execution. According to the extracts and supporting documents submitted to the Central Treasury OOPERU of the National Bank), the extrabudgetary funds department keeps track of the amounts received to the Unified Extrabudgetary Treasury Account and credits income in the context of budgetary organizations.

Budget organizations submit payment orders and documents to the department of off-budget funds to pay expenses, where, after reconciling the balance on the account and the estimate of income and expenses, payment documents are drawn up and transferred to the bank for payment. On a monthly basis, the department's curators provide budgetary organizations with extracts on the state of extra-budgetary funds. Extra-budgetary special) funds of the local budget In places A single local off-budget treasury account is opened in the treasuries to account for receipts and expenditures of off-budget special) funds from budgetary institutions of the local Hukumat. The account is opened in the branch of Amonatbank, which serves the Single local treasury account and the transit account of the republican budget. Separate records are kept for each budgetary institution in accordance with the classification of revenues and expenditures of the budget of the Republic of Tajikistan. Budgetary institutions that have extra-budgetary special) funds annually draw up an estimate of income and expenses in the manner and according to the forms established by the Ministry of Finance of the Republic of Tajikistan. The estimates are approved by the main manager of budgetary funds in the total amount of income and expenses, indicating the amount of excess income over expenses to be paid into the budget, and are agreed with local financial authorities. The report on the execution of revenues and expenditures of extra-budgetary special) funds for local budgets is drawn up in accordance with Form 520106 for FBK and EBC), monthly and quarterly submitted to the Ministry of Finance of the Republic. In local treasuries, off-budget special) funds of budgetary organizations of republican significance are kept separately. At the end of each quarter, the excess of revenues over expenditures on extrabudgetary special) funds of budgetary organizations is credited to the revenues of the corresponding budget.

**10.5. Preparation of consolidated financial statements**

Within 3 months after the end of the financial year, the Central Treasury prepares a consolidated annual report on the execution of the State Budget of the Republic of Tajikistan and submits it to the leadership of the Ministry of Finance. Ministries and departments, budgetary organizations submit annual financial statements, which are checked against the reports of the Central Treasury. Information on actual monthly income and expenses is collected from all departments of the Central Treasury. Reports on republican revenues and expenditures through transit accounts of local budgets are provided in accordance with tables and articles of the “Classification of revenues and expenditures of the budget of the Republic of Tajikistan”, approved by order of the Ministry of Finance of the Republic of Tajikistan No. 5 dated January 10, 2005. The consolidated reporting does not reflect data characterizing the state of intra-treasury inter-budgetary settlements.

The reporting is done in somoni. The following reports are included in the annual reporting:

1. Financing by type of creditor State budget);

2. Report on the execution of the State budget on revenues and grants;

3. Financing by type of creditor Republican budget);

4. Report on the execution of the republican budget on revenues and grants;

5. Report on financing of expenditures of the republican budget according to the functional budget classification;

6. Report on financing of expenditures of the republican budget according to the economic budget classification;

7. Financing by type of lender Local budget);

8. Report on the financing of local budget expenditures according to the functional budget classification;

9. Report on the financing of local budget expenditures according to the economic budget classification;

10. Financing by type of creditor Fund for Social Protection of the Population); 11. Report on the financing of expenditures of the Social Protection Fund according to the economic budget classification;

12. Report on the performance of the network, states and contingent of institutions that are on the state budget;

13. Report on the execution of extra-budgetary funds state budget);

14. Report on shortages and theft of inventory items budget funds state budget);

15. Report on fixed assets and materials of budgetary institutions;

16. Report on funds allocated for targeted expenditures at the expense of the President's Fund, Chairmen's Fund, free balances and additional income);

17. Report on receivables and payables of budgetary institutions. An explanatory note is attached to the Report, which is prepared by the State Budget Department.

The explanatory note reflects the financial indicators of the implementation of articles of the Law of the Republic of Tajikistan "On the State Budget" for the reporting year on the basis of the Annual Report on the Execution of the State Budget crediting of income, targeted execution of expenditures, inter-budgetary relations, indicators of budget deficit, repayment of the main external and internal debt, payments percent, changes made to the state budget, etc.). In the process of executing the State budget, the Central Treasury of the Ministry of Finance makes changes to the amounts of revenues and expenses internal transactions, netting, mutual settlements, return of incorrect and overly credited amounts of budget revenues, operations on treasury bills, etc.), in accordance with the legislation. The consolidated report on the revenues of the State budget is drawn up on the basis of reports on the revenues of the republican and local budgets, the revenues of the Social Protection Fund, grants received grants received in the form of goods and services are included in the reports on the execution of the state budget).

***Questions about the strength of topic 10.***

1. Explain the purpose, objectives and content of insurance

2. The position of insurance in a market economy

3. Insurance - economic category.

4. Name the insurance functions

5. Explain the classification of insurance by different characteristics.

6. What are the insurance systems of the Republic of Tajikistan?

7. What are the principles of compulsory and voluntary insurance?

8. What is the insurance market and its structure?

9. Organizational forms of insurance in a market economy

10. What is the diversity of insurance companies operating in the insurance market?

11. How are insurance and licensing organizations registered?

**Questions on topic 10:**

**Масъалаи 1**

Determine the insurance indemnity if there is a proportional system of liability, if:

* the actual value of the insured object is 700,000 somoni;
* insurance 500,000 somoni;
* the amount of damage from the insured event is equal to 40% of the actual value of the object.

**Solution:**

1. The amount of damage is equal to:

T = 700000 \* 0.4 = 280000

2. Compensation is equal to:

Q = T \* S / W = 280000 \* 500000/700000 = 200000

Answer: The amount of insurance indemnity is equal to 200,000 somoni.

**The problem 2.**

The project is worth 6 million somoni. somoni is insured by one insurer under one contract: by the first insurer in the amount of 2.5 mln. somoni, the second in the amount of 2,0 mln. somoni, the third in the amount of 1.5 mln. somoni. As a result of the insured event (fire) to the insured object in the amount of 1.8 mln. somoni was damaged. Determine the amount to be paid by the insured to each insurer.

**Solution:**

The first insurer: (1.8 · 2.5) / 6 = 0.75 mln. somoni. or 750 thousand. somoni. Second insurer: (1.8 · 2) / 6 = 0.6 mln. somoni or 600 thousand somoni. Third insurer: (1.8 · 1.5) / 6 = 0.45 mln. somoni or 450 thousand. somoni.

**CHAPTER 11. STATE CREDIT**

**11.1 The essence and significance of public credit**

**11.2 Main functions and forms of public credit**

**11.3. The economic essence of government credit. Government loan in advanced economies. The need to introduce a government loan.**

**11.4. State loans differ in types: internal, external international), conditional.**

**11.1 The essence and significance of public credit**

At present, state credit is of great importance for the normal functioning of the entire economic system as a whole. A state loan is a set of credit relations in which the state, local authorities act as a borrower or lender in relation to citizens and legal entities. State credit expresses the relationship in monetary form between the state on the one hand, and individuals or legal entities on the other, most often with banks, insurance companies and entrepreneurs.

The credit will be public in the event that the central government or local authorities act as a participant in the loan transaction. In this sense, it can be compared with other forms of credit, primarily with banking, where the bank is an obligatory participant in the loan transaction.[[1]](#footnote-1) It should be noted that such concepts as private and public credit should not be confused. There are following differences between these forms of credit.[[2]](#footnote-2)

- firstly, the public loan differs from the private participants in the transaction. The state usually acts as a borrower, and various institutions, enterprises and individuals act as lenders;

- secondly, the borrower and creditors in the field of public credit can change places; - thirdly, the state loan is not just a form of movement of loan capital, but is based on a combination of loan and fictitious capital, since a loan transaction is accompanied by the purchase of 6 bonds and treasury bills, which have their own market rate, are sold on the securities market. At the same time, the similarity of these forms of credit is due to the fact that they have a single source of education. In the area of public credit, the central government as well as local governments traditionally act as borrowers, raising funds to cover budget deficits. The main form of raising funds is the issuance of government bonds and other types of securities. A bond is an obligation of the issuer, who must subsequently repay the owner of the security the amount of principal and interest. Owners of free cash, buying bonds, act as the actual creditors of the state. Unlike a bank loan, lenders are not only banks, but also insurance companies, enterprises and individuals. It should be noted that half of the active operations of insurance companies in developed countries account for the purchase of securities. At present, the state has begun to act as a lender that provides credit assistance, which is interested in the development of the national economy as a whole. Financing of housing construction, infrastructure, export production is carried out in many countries on concessional terms with extensive use of borrowed funds. The reasons for the active participation of the state as a creditor are different: the reluctance of private capital to develop infrastructure sectors due to the lack or lack of high profits to help national experts in the fight against foreign competitors in the international market.[[3]](#footnote-3)

The movement of capital in the sphere of international economic relations, associated with the provision of foreign exchange and commodity resources on terms of repayment, urgency and payment of interest, is called 7 international credit. Banks, enterprises, states, international and regional organizations act as creditors and borrowers. Based on the foregoing, we can conclude that a state loan expresses the relationship in monetary form between the state on the one hand, and individuals or legal entities on the other, most often with banks, insurance companies and entrepreneurs. The state loan differs from the private one in the form of providing funds and by the participants in the transaction.

**11.2 Main functions and forms of public credit**

The economic literature discusses the various functions of public credit and public debt. As a financial category, government credit has two functions: fiscal and regulatory. The fiscal function of the state loan is that the loan is carried out through the centralization of state funds. The positive effect of the fiscal functions of the state loan is a more even distribution of the tax burden over time.

The regulatory function of public credit covers: the state of money circulation, the level of interest rates in the money market and capital markets, production and employment. Vrublevskaya O.V., the author of the textbook "The Budgetary System of the Russian Federation", considers the following state functions of the loan:[[4]](#footnote-4)

- the formation of monetary funds is the attraction of funds from the loan capital market to the central fund of the state, based on the principles of repayment, urgency and payment of taxes;

- use of cash funds - a function arising from the need to return borrowed funds, which is carried out both at the expense of tax and non-tax revenues, as well as through the refinancing mechanism, that is, the repayment of previously issued obligations at the expense of funds received from the placement of new obligations;

- control - a function of the state credit, which is expressed in the impact on the liquidity level of commercial banks, the structure of demand, economic growth rates, the volume of money supply in circulation. In addition, in his textbook, this author also notes the role of credit, which is:

- in the redistribution of financial resources in the process of capital movement between the spheres of production and circulation. In practice, this is expressed in the fact that the state, being an active participant in the capital markets and acting on it more and more often as a borrower, has a significant impact on the level of lending rates, as it is a competitor for market participants seeking credit resources, and also leads to changes in the minimum profitability at the level of investment projects in the real sector;

- in increasing the efficiency of the use of resources that ensure the most efficient use of public funds, in the presence of a "cash gap" between the time of their receipt and use in case of absence, as well as in case of excess of financial resources; - in accelerating the concentration of financial resources, which allows the state to attract significant financial resources, including for financing emergency expenses, in the shortest possible time. In the book of Malinovskaya O.V. the following features of the state loan were identified:[[5]](#footnote-5)

- distributive. Thanks to the distribution function, the formation of centralized state funds and their use on terms of urgency, repayment and payment are carried out;

- regulating. In this case, the emphasis is on the fact that the state can consciously use public credit as an instrument of economic regulation that affects the state of the currency, interest rates, production and employment;

- control.

The control function of state credit is organically woven into the control function of finance and has its own specific features generated by the features of this category. Depending on the nature of the operations, there are three forms of public credit.[[6]](#footnote-6)

- government borrowing;

- state guarantee;

- state credit. Government borrowing is carried out in the form of government loans and direct loans.

A state loan is the attraction of temporarily free funds of individuals and legal entities through the issuance and sale of government securities. Direct loans are the attraction of funds from investors without selling them securities. Direct borrowing is carried out from banks, international financial organizations, governments of other states. State guarantees are provided for loans and credits provided by local authorities and business entities. The state guarantees not only the unconditional repayment of loans and credits, but also the payment of interest on them by reserving funds for the repayment of a guaranteed loan or credit. State loans are provided at the expense of budgetary funds to business entities, local authorities, other states, international organizations.[[7]](#footnote-7)

Depending on the 10th category of the borrower, budget and state loans are distinguished. Budget loans are funds that are provided on a repayable basis by legal entities of their country or local authorities. State credit is funds that are provided on a repayable basis to other states, their legal entities and international organizations. From the foregoing, we can conclude that the state loan as a financial category has 2 main functions: fiscal and regulatory. The fiscal function of the state loan is that the loan is carried out through the centralization of state funds. The regulatory function of state credit covers the state of money circulation.

**11.3. The economic essence of government credit. Government loan in advanced economies. The need to introduce a government loan.**

The economic essence of government credit. Government loan in advanced economies. The need to introduce a government loan. Types, forms and methods of government credit. Government loans and their characteristics. Nominal value price), real, issue and cost of government loans. Use and implementation of government loans. State loans of the Republic of Tatarstan, economic content and their significance. Types of government securities and their characteristics

State credit - a set of credit relations in which one of the parties is the state, and creditors or borrowers are legal entities and individuals. By means of a state loan on a repayment basis, funds are accumulated for the implementation of state expenditures. State credit should be productive in nature, since the funds mobilized with its help are directed mainly to finance the economy. Government loan relationships are included in financial relationships for the following reasons: funds mobilized through state credit are considered as financial resources of the state, directed to finance various needs - both production and non-production, as well as strategic and operational; payments for received and granted loans, interest payments for them are made at the expense of the central republican) budgets when borrowing from the government, or local - when borrowing from local authorities. Since the main and permanent part of budgets is tax crimes, it is customary to consider the funds mobilized through loans as "anticipated taxes", that is, taxes collected in advance. Within the boundaries of the distribution function of finance, state credit performs the subfunction of redistribution of funds on the basis of their subsequent return.

This is due to the accumulation of temporarily free funds from the population, enterprises and organizations. In this function, state credit is one of the forms of organization savings. With the help of a loan, relatively small on average, the savings of the population, enterprises are concentrated in the state and are directed to finance the needs of the economy, socio-economic infrastructure. This is achieved by issuing government loan bonds placed among the population, enterprises and organizations, issuing other types of government securities treasury bonds, treasury bills, certificates). The availability of various instruments of government borrowing gives the population the freedom to choose the organizational forms of savings. The objective results of this function are an increase in the volume and acceleration of the rate of expanded reproduction. The redistributive function of state credit is also manifested in its property of "anticipation", when the funds used in the current period can be returned to the creditor in tens of years, that is, at the expense of taxes levied from future generations in favor of the present.

The second subfunction of government credit is regulatory. First of all, the state regulates cash flows by influencing the amount of loan interest: acting as a borrower in the loan capital market, it increases the demand for this capital, as a result of which the rate of loan interest rises. Thus, the state competes in this market and squeezes out private investors from it “crowding out effect”). This causes them to restrict their investment in certain types of businesses.

At the same time, when buying government securities, a reduction in money cash and non-cash) in circulation is achieved, which can be effective for eliminating the consequences of the emission of money. Thus, if with the help of the redistributive function of credit, the state directly directs monetary resources to certain industries or to the development of necessary industries), then through the regulating function, an additional indirect effect is achieved on business entities that do not take part in relations on state credit. The role of state credit is reduced to its ability to mobilize temporarily free funds from the population, enterprises, organizations and channel them for financing, the primary needs of the state.

**11.4. State loans differ in types: internal, external international), conditional.**

In domestic credit, state-credit relations arise between the government, local authorities, enterprises, organizations and the population of a given country from a versatile position: both as borrowers and as creditors. In international credit, governments, banks, companies of other states, as well as international financial and banking organizations, on the other, enter into relations. Side, representing giving) a loan, for various negative reasons: crisis situations, loss of confidence in government securities, emergency circumstances.

The operations of the state, opposite to attracting funds at the disposal of the government, local authorities, are the provision of loans from their side to legal entities and individuals. This form of credit is called state treasury) loans and is designed to support enterprises and organizations in case of their urgent need for financial resources in case of financial difficulties or insufficient funds for development. As a rule, among them, enterprises of priority economic, social, scientific significance and loans are provided to them on preferential terms, namely, with longer repayment periods and at interest rates lower than those prevailing in the loan capital market. This form of financial support is provided to households in the implementation of housing programs, farming development, education, etc. Public credit methods are varied and correspond to the stated forms. In government loans, these are methods, methods of raising funds and their subsequent return: they are determined by the terms of issuing loans: methods of determining profitability and generating income, validity periods, methods of placement free purchase and sale of bonds, bonds, subscription, forced placement), methods of repayment winnings on bonds, redemption of bonds with accumulated interest income, with indefinite loans - periodic payment of interest income).

The methods in loans also include methods of public debt management conversion, consolidation, unification, refinancing). With the forms of state credit - the use of the balances of deposit resources of state banks - the methods are the conditions for such use: the share of resources attracted as state financial resources, the repayment period, the rate of return. Similar methods are the conditions for attracting funds from the central bank of issue of the country: these methods should minimize the inflationary impact of such borrowing. The methods in the form of government loans are similar to those of regular bank loans.

***Questions to reinforce topic 11.***

1. What is enterprise finance?

2. Financial entities have financial relations with which entities?

3. Explain the specifics of enterprise finance.

4. What income and expenses are included in the current activities of the enterprise?

5. Explain the inflows and outflows of investment activities of the enterprise.

6. What income and expenses does the enterprise carry out in its financial activities?

7. What are the functions of enterprise finance?

8. Explain the essence of the financial distribution function of enterprises?

9. Explain the function of financial control.

10. Name the main principles of financial organization of enterprises and explain their essence.

***Тестњо доир ба мавзўи 11.***

**1. The finances of the enterprise are:**

**a) is a set of monetary relations regulated by the state, in the course of which centralized monetary funds are created;**

b) is an independent branch of the financial system and includes a certain scope of economic relations on the organization, distribution and use of financial resources of enterprises and the state;

c) is a set of economic relations, which represents the process of organization and control over the use of financial resources of enterprises;

d) is a set of economic relations that includes the process of creation, distribution and use of decentralized funds of financial resources of enterprises, organizations and institutions;

**2. What are the financial functions of the enterprise?**

a) regulation; b) incentives; c) distribution; d) savings.

**3. Which of the following principles is included in the principles of financial organization of enterprises?**

a) equivalence;

b) justice;

c) material responsibility;

d) financial dependence.

**4. Which of the following is included in the enterprise's own funds:**

a) dividends;

b) consumer fund;

c) authorized capital;

d) bank loans.

**5. The financial resources of the enterprise are:**

a) cash income of an enterprise, which is used to pay taxes and provide loans to other enterprises;

b) all funds of the enterprise intended for the production of goods;

c) is all cash of the enterprise and is used to issue shares;

d) all cash income accumulated in the enterprise and used for fulfillment of financial obligations of the enterprise, expenses on expansion of reproduction and formation of funds of the enterprise.

**6. Which of the following is included in the financial resources of the enterprise?**

a) the accumulation fund;

b) consumer fund;

c) accounts payable;

d) bank loans.

**7. Which of the following belongs to the financial resources of the enterprise?**

a) profit;

b) dividends and interest;

c) the authorized fund;

d) factoring.

**8. Which of these funds is formed at the expense of profits of the enterprise?**

a) the authorized fund;

b) savings fund;

c) consumption funds;

d) investment fund.

**9. Which of these groups is included in the fixed assets of the enterprise?**

a) semi-finished products, fuels, low-value and perishable items;

b) finished goods in the warehouse, shipped goods, cash;

c) cash, accounts receivable and accounts receivable;

d) vehicles, buildings, structures, vehicles, equipment.

**10. Which of these groups belongs to the working capital of the enterprise?**

a) vehicles, buildings, structures;

b) machines, equipment, computers;

c) equipment, measuring and regulating devices;

d) semi-finished products, fuels, low-value and perishable items;

**11. What should be the minimum amount of net working capital (own working capital) of the total current assets that can ensure the financial stability of the enterprise?**

a) 18%; b) 10%; c) 15%; d) 25%.

***Solving problems on topic 11:***

***Issue 1.***

Production at the enterprise at sales prices for the planned year amounted to 6.3 mln. somoni is planned. If the cost per 1 somoni of product is 73 dirams, determine the total amount of profit.

Solution: The total cost of the planned volume of production

X = 6.3 ∙ 0.73 = 4.599 mln. Somoni.

The total amount of profit Ф = Д - Х = 6,3 - 4,599 = 1,701 mln. somoni.

***Issue 2.***

The company's sales in 2009 amounted to 18.8 million. Somoni, fixed costs 2.8 mln. Somoni and variable costs 13.2 mln. Somoni. If the volume of sales in 2010 increases by 7% and the share of fixed and variable costs does not change, determine the total profit of the enterprise and the increase in profit of the enterprise in 2010 compared to 2009.

Solution: Determine the share of fixed and variable costs in total sales in 2009.

The share of fixed costs

 ·100% = 14, 9%;

The share of variable costs

 ·100% = 70,2%;

The share of fixed and variable costs

 14,9 + 70,2 = 85,1%;

Total profit for 2009

18,8 - 2,8 – 13,2 = 2,8 million somoni;

Sales volume per year 2010

18,8·1,07 = 20,12 million somoni;

Total expenditures in 2010

20,12·0,851 = 17,12 12 million somoni;

Total profit for 2010

*Ф*= *Х – Д* = 20,12 – 17,12 = 3,0 12 million somoni;

Profit in 2010 compared to 2009 to

*Ф*= 3,0 – 2,8 = 0.2 million somoni has increased.

***Issue* 3.**

The volume of goods at the enterprise in 2010 was 500 thousand Somoni, the average annual value of fixed assets was 2 850.0 thousand Somoni, in 2011 it was 600 thousand Somoni and 3740.0 thousand Somoni, respectively. To determine increase or decrease in return on fixed assets and fund accumulation in 2011 in comparison with 2010.

**Solution:** Using formula (19), we determine the return on fixed assets Bf, which in 2010 was

*Бф* = = = 0,18 was equal;

Дар соли 2011бошад

*Бф* = = = 0,16 – to million somoni has increased.

Fundraising *(F rasing)*- to by formula (20) to determine that in 2010

*F rasing* = = 5,7; in 2011

*F rasing* = = = 0,16 formed.

In 2011, the return on assets decreased by 0.02 (0.18-0.16) and the fund's accumulation increased by 0.53 (6.23-5.7), which indicates a decrease in the efficiency of the use of fixed assets.

**CHAPTER 12. PUBLIC DEBT**

**12.1. The essence and significance of public debt, the reasons for its occurrence.**

**12.2. Public debt as a macroeconomic instrument. Forms of public debt. Internal and external debt.**

**12.3. Sources of financing public debt: subsidies loans, loans. Loans received from international financial institutions: the World Bank, the Asian Development Bank ADB), the Islamic Development Bank IDB), OPEC funds and the Export-Import Bank of the PRC.**

**12.4. Public Debt Management System. Measures to curb external debt, reduce domestic debt. Strategy of Public Debt Management of the Republic of Tajikistan for 2015-2017.**

**12.1. The essence and significance of public debt, the reasons for its occurrence.**

Public debt is one of the most important instruments of the state, with the help of which it conducts economic policy. Public debt is not only an economic category, but also a financial one. Public debt is directly related to legal financial policy, i.e. conducting operations with debt in the most efficient way, which would allow minimizing debt service costs, avoiding risks, ensuring solvency, etc. Financial relations arising from the existence of public debt affect the interests of the state more broadly than the impact on tax policy. They affect the state of the state budget, monetary policy, investment climate, demand, etc. Thus, the role of public debt in the development of the state is enormous. Public debt is a macroeconomic instrument that can have both positive and negative effects on the economy.

Public debt - the result of financial borrowing by the state, carried out to cover the budget deficit. Public debt is equal to the sum of the deficits of previous years, taking into account the deduction of budget surpluses.

When considering the state debt, as a rule, the counterclaims of this state to others are not taken into account, that is, the debt of other states or individuals and legal entities to this state is not considered. Also, the obligations of the state in the field of social and pension provision are not taken into account.

The amount of public debt is expressed in national currency or its equivalent in any other currency.

For a more objective comparison, government debt is reported as a percentage of gross domestic product (GDP).

The Budget Code provides a legal definition of this concept as the sum of debt obligations to legal entities and individuals, foreign states, international organizations and other subjects of international law.

The main reasons for the formation of public debt are the state budget deficit and the availability of free funds from individuals and legal entities.

The section lacks references to sources.

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By affiliation of the creditor:

Internal - residents of the borrower act as creditors, it is formed in the form:

Debt on government securities (OFZ, etc.)

State guarantees for securities issued by joint-stock companies

Loans issued to the state by banks and other creditors

Compensation not paid to individuals and legal entities, etc.

External - before other states, international organizations and other subjects of international law

Debt on government securities

Loans issued to the state by external creditors

State guarantees for loans received abroad by resident organizations

Debt on foreign trade operations of budgetary organizations

By debt currency:

Denominated in national currency

Denominated in a foreign currency (at the same time, the Euro for European countries can be considered foreign, since the countries of the eurozone cannot print or devalue this currency)

By repayment time:

Capital debt - the entire amount of issued and outstanding debt obligations of the state, including interest

Current debt is the cost of paying income and paying off liabilities.

Other types:

Gross domestic debt - debt is formed within each country as the sum of mutual debt of various sectors of the economy. It has its own structure and consists of the following elements: public domestic debt, debts of the corporate sector, public debt

Consolidated public debt - is formed by extending the term of short- and medium-term loans or by combining (unifying) previously issued medium- and short-term loans into one long-term loan. Thus, consolidated debt is formed as part of the total amount of public debt as a result of the issuance of long-term loans.

Short-term public debt is the sum of all debts with an original maturity of one year or less and the interest on long-term debts.

Gross public debt is the sum of all internal and external obligations of the state with interest. It is usually expressed as a percentage of the country's GDP.

**12.2 Forms of public debt. Internal and external debt. Public debt is external and internal.**

In addition, public debt is classified: 1. Classification of debt by type of creditor; 2. Classification of debt by type of debt obligation. The classification of public debt by type of creditor is as follows: Domestic debt is a debt to monetary authorities, commercial banks, and other financial institutions that are within the state. External debt is debt by an international body, a governing body of foreign states, other external debt, including bank loans and advances, supplier loans. Classification of debt by type of debt obligation: - domestic debt is a debt that is formed as a result of placement on the domestic financial market of long-term bonds, short-term bills of exchange, long-term loans not classified in other categories. - external debt is a debt that is formed as a result of placing securities on external stock exchanges. Sources of external financing are: subsidies, loans, the trading capital market. The governments of developing countries and countries with economies in transition have several sources of funding. Subsidies are the most lucrative source of funding, representing the investment of government revenues from other countries' budgets, which flows directly to the developing country or through subsidized development agencies. Subsidies can be spent in the same way as any income, but in most cases they are tied to specific projects. The next source of financing is loans, which are in the form of official development assistance, which are provided by the IBRD, the World Bank, regional ADBs, the OPEC fund and other national development institutions.

These loans are directed to the implementation of projects and programs with the aim of promoting the economic development of recipient countries. Financial conditions for the provision of loans on concessional terms at interest rates, in the form of a deferred payment. However, they need to be repaid.

Domestic debt consists of:

1. Unpaid wages, pensions, scholarships, etc .;

2. Issues of government securities loans, treasury bills), etc. The internal debt of the Republic of Tajikistan includes: deposits of the population, taking into account indexation, unpaid wages, pensions and benefits; government internal loans in the form of government securities.

External debt in the Republic of Tajikistan includes:

• direct government debt;

• debt guaranteed by the Government

• debt without government guarantee

• debt of the National Bank. For any country that has ambitious plans to develop its own economy and financial system, including a stable national currency, the domestic debt market is the basis for such development. If we understand by the domestic financial market the market of domestic interest rates, then without the market for public domestic debt, the necessary indicators will not appear, and, consequently, both the lender and the borrower will have difficulty in determining the price of money.

**12.3 Government Debt Management Strategy of the Republic Tajikistan for 2015 – 2017.**

In 2015, this figure reached $ 2 billion 169.41 million, or 28.5% of GDP. The Ministry of Finance explained that the reduction was due to debt servicing. The external public debt of Tajikistan reaches $2.1 billion. The development of the fourth strategy for public debt management for 2015-2017 is due to the preservation of macroeconomic stability of the Republic of Tajikistan and the maintenance of a balanced level of public debt. This document is a revised, modernized, analytically substantiated Medium-Term Public Debt Management Strategy SDM) for 2015-2017, which, like the previous one, is approved for a period of 3 years. One of the main goals of the development of the new Strategy was the creation of an analytically substantiated document, clearly delineated Debt Sustainability Analysis and Debt Management Strategy for the following reasons:

Debt Sustainability Analysis addresses issues related to the level of debt.

The number and volume of attracted loans for the next financial and for the next two years are determined by the State Investment Program PIP) and the Program of State External Borrowings PIPL), which are an integral part in the formation of the country's budget. current and planned loans, as well as their breakdown by sectors of the economy, which thereby specifies the level of borrowings acceptable for the country for the current financial and two subsequent forecast years. The main goal of the Program of State Foreign Borrowings of the Republic of Tajikistan is to increase the efficiency of control over the attraction of foreign loans to the Republic of Tajikistan and to prevent uncontrolled accumulation of external debt.

The debt management strategy examines the structure of the debt portfolio, identifies the most acceptable potential sources of lending and solves the issues of minimizing the cost of servicing public debt, taking into account the associated risk and indicative indicators norms) of government loans. The same methodology is used in the development of the country's budget, which provides a forecast for the next three years.

The public debt management system is the interconnection of budgetary, financial, accounting, organizational and other indicators aimed at effective regulation of public debt and reducing the impact of the debt burden on the country's economy. High-quality and effective public debt management implies a whole system of debt management principles, the creation of a transparent management system using clear procedures and mechanisms for debt management, as well as the absence of overdue debt obligations.

This strategy pays great attention to the further development of the government securities market, both primary and secondary, by expanding the range of maturity of treasury bills, as well as gradually increasing the share of domestic borrowing through the issuance of government securities.

It is envisaged to update the Strategy for Public Debt Management of the Republic of Tajikistan every 3 years. It is also expected to provide an annual report on the implementation of the Strategy for Public Debt Management to the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan and the Government of the Republic of Tajikistan. 2011 saw a steady increase in real volume A joint mission of the World Bank and the International Monetary Fund IMF) visited Dushanbe from May 30 to June 8, 2012 to provide technical assistance to the Ministry of Finance in developing a Medium-Term Debt Management Strategy. The objectives of the mission MTDS) were to assist the Ministry of Finance in developing a comprehensive debt management strategy and to develop the capacity of Ministry of Finance officials to balance the costs and risks of developing alternative financing strategies.

The main and largest creditors of the Republic of Tajikistan are the World Bank, the Asian Development Bank and the Eximbank of the PRC. At the end of 2013, Domestic debt amounted to 7.1 percent of GDP, but in the future this figure will decrease, since the main payments are due in 2015. Internal debt consists of: - State bills of the Ministry of Finance of the Republic of Tajikistan debt of cotton growing farms) in the amount of 295 million somoni; - Treasury bills of the Ministry of Finance of the Republic of Tatarstan in the amount of 153.8 million somoni; - State bills for recapitalization of NBT in the amount of 400 million somoni; - State Treasury bills with a maturity of 91 days to cover the budget deficit; - State winning lottery loans - 10 million somoni; - State bills for the capitalization of Agroinvestbank, amounting to 200 million somoni; - State bills for the capitalization of Agroinvestbank, amounting to 500 million somoni; - As well as promissory notes issued in order to increase the share of the Government of the Republic of Tajikistan in the authorized capital of IFIs. The low weighted average interest rate for the entire debt portfolio, equal to 1.7 percent, despite the rather high weighted average interest rate on domestic debt, equal to 4.2 percent, is due to the large number of highly concessional loans in the total debt portfolio, interest rates for which vary in the range from 0.75 to 3 percent. 14 Moreover, further cooperation of the Republic of Tajikistan with the EurAsEc Anti-Crisis Fund is expected in the field of budget support, as well as with such lenders as the Islamic Development Bank, the Saudi Fund, the Kuwait Fund for Islamic Development, and the Abu Dhabi Fund. It should be noted that this strategy is committed to the development of the domestic securities market by expanding the number of instruments.

in domestic borrowing and increasing the maturity of issued State Treasury Bills. Therefore, in the future, it is planned to increase funding for the needs of the state from internal sources.

***Questions to reinforce topic 12.***

1. What is financial control?

2. Explain the purpose and objectives of financial control.

3. What are the objects and topics of financial control?

4. What are the examples of financial control in the world?

5. What are the principles of financial control?

6. What are the types of financial control?

7. Explain the nature of non-state financial control.

7. Name the forms of financial control and explain their essence.

9. What are the methods of financial control?

10. What are the different types of financial audits?

11. Which body carries out state financial control in Tajikistan?

***Tests on topic 12.***

**1. Which of the following financial indicators is the subject of financial control?**

a) business entities;

b) taxes;

c) cost;

d) budget organization.

**2. Which of the following functions performs financial control?**

a) redistribution and redistribution of national income;

b) regulation;

c) to promote the rational use of material values and monetary resources in enterprises, organizations and institutions;

d) incentives.

**3. What is the model of financial control in the world?**

a) European; b) American; c) English; d) German.

**4. Which of the following principles is used to establish financial control?**

a) self-financing;

b) financial responsibility;

c) concealment of control results;

d) publicity.

**5. What types of financial control are different depending on the subjects of financial control?**

*a) nationwide (non-governmental);*

*b) in advance;*

*c) initiative;*

*d) on a voluntary basis;*

**6. What form of financial control differs depending on the term of financial control?**

a) departmental;

b) in advance;

c) the state;

d) on-farm;

**7. Which of the following methods is used for financial control?**

a) interrogation;

b) chambers;

c) investigation;

d) testing;

**8. Which of the following entities can be the object of audit control of financial and economic activities?**

a) non-governmental enterprises and organizations;

b) state enterprises and institutions;

c) enterprises, organizations and individual entrepreneurs;

d) all the answers are correct.

**9. What is an audit firm?**

a) in public;

b) the state;

c) commercial;

d) non-commercial.

**10. What types of audits are different?**

a) governmental and non-governmental;

b) binding and initiative;

c) voluntary and state;

d) All the answers are correct.

**11. Which of the following organizations is subject to mandatory annual audit?**

a) a closed joint stock company;

b) enterprises engaged in the production and sale of excisable goods;

c) budget enterprises and institutions;

d) an open joint stock company.

**Solving examples and problems on topic 12.**

**Issue 1.**

The volume of goods at the enterprise last year was 2,540 thousand Somoni, sales profit was 520 thousand Somoni. This year, the volume of goods increased by 12% compared to the previous year, and profit increased by 18%. Determine the increase in profitability of all goods sold.

**Solution: Volume of goods in the current year**

**Mm = 2 520 · 1,12 = 2 822,4 thousand somoni;**

**Profit from sales in the current year**

**Ф = 520 · 1,18 = 613,6 thousand somoni.**

**Profitability of all goods sold**

a) in the previous year Fm= ·100% = 20,5%;

b) in the current year Fm = ·100% = 21,8%.

Profitability of all goods sold in the current year increased by 1.3% (21.8 - 20.5), which indicates an improvement in the financial performance of the enterprise.

**Issue 2.**

The variable cost of the enterprise is 1,000 somoni per unit of output. Fixed costs are equal to 400,000 somoni per year. The unit selling price is equal to 1,800 somoni. Determine the volume of sales per unit in which the enterprise begins to make a profit (break-even point).

Solution: Leave the data given in formula (21) to find the volume of sales in units, where the enterprise begins to make a profit (break-even point).

1800 ∙ У = 400 000 + 1000 ∙ У;

1800 ∙ U - 1000 ∙ U = 400 000;

800 ∙ У = 400 000;

*У* = = 500 unit

**CHAPTER 13 LOCAL FINANCE**

**13.1. The role and importance of local finances and regions in the development of the economy of regions and local authorities.**

**13.2 According to the sources, local government revenues are divided into: tax revenues;**

**13.3. Local budgets are the financial basis for local self-government.**

**13.4. Balancing local budgets.**

**13.1. The role and importance of local finances and regions in the development of the economy of regions and local authorities.**

The role and importance of local finances and regions in the development of the economy of regions and local authorities. The main sources of income for local budgets in federal countries, budgets of federal foreign states. Local finance local budgets) of the Republic of Tajikistan, the basics of their legislation. The composition of own income received by local budgets. Regional and local budget expenditures. Targeted extra-budgetary funds of regions and local authorities, fund management. Joint planning of finances of regions and local authorities. Financial support for targeted expenditures of the regions. Reasons for the emergence of the budget deficit of local budgets.

13.1. The role and importance of local finances and regions in the development of the economy of regions and local authorities.

The functioning of local finance is associated with the provision of the necessary financial resources to local Khukumats and local self-government bodies. The purpose of the financial activities of local authorities is to satisfy public interests and needs and to contribute to the socio-economic development of the region. The presence of tasks and functions that are entrusted to local authorities is the objective reason for the need for finance for these authorities. If the reason for the functioning of finance in general is the emergence of the state and commodity-money relations, then the reason for the emergence of local finance is the presence of territorial communities, the separation of functions and tasks that rely on these authorities. The formation of local authorities and their finances in different countries took place at the end of the XVIII - at the beginning of the XI century. The scientific definition of local finance as a set of theoretical provisions and a certain amount of knowledge and skills was finally formed at the end of the XI century. In modern legal states of the world, local authorities are included in the general system of state administration, their competence is determined by the central government. There is also a tendency towards an increase in state functions that are transferred to local authorities. The tasks and functions of local governments can be divided into two main groups: tasks and functions that are generally transferred to local authorities and they are their inherent own competence; drawing up and reviewing approval and execution of local budgets. In most countries, the competence of local self-government includes primary and secondary education, health care, veterinary care, landscaping, caring for the poor and orphans, housing and communal services, housing construction, water supply, heating, urban electrical networks, economic infrastructure, employment of the unemployed, retraining personnel for the purpose of employment, funeral services, collection and disposal of garbage, environmental problems, land use organization, etc. In accordance with the scope of powers of local self-government, the system of local finance is also being built, that is, their value is determined in national indicators, and above all in the gross domestic product of the state. Currently, significant financial resources are being redistributed through local finances.

The European countries with the highest indicators of municipal expenditures in GDP include: Sweden - 25.5%, Denmark - 19.9%, Norway - 18.9%, Hungary - 19%, Finland - 18%, Lithuania - 13.1%. Over 10% of GDP is redistributed through municipal costs in Austria, Latvia, Great Britain, Switzerland. About 10% - in Bulgaria, Czech Republic, Germany, Luxembourg.

There are countries where the share of municipal costs in GDP is very low. In Cyprus, it is 1.4%, in Greece - 3.33%, Romania - 3.5%, Turkey - 2.41%, in Portugal - 4.6%. The indicators that characterize the level of municipal expenditures in total government expenditures are also very diverse. They are the highest in Norway - 60%, in Lithuania - 58.8%, in Hungary - 53.7%, in Sweden - 36%, in Denmark - 31.28%. The lowest rates are in Cyprus - 4.1%, in Greece - 5.6%, in Portugal - 9.7%. In Ukraine, the share of local budget expenditures in the consolidated budget in 2000 was 31%. The above data once again confirm that local finances are an important link in the financial system of the state. By its economic essence, local finance is a system of formation, distribution and use of financial resources to provide local authorities with their respective functions and tasks. Local financial resources include: financial resources of local authorities’ local budget and trust funds); financial resources of enterprises of communal ownership. Local budgets finance 82% of expenditures on social protection of the population and 72% of expenditures on social and cultural events. The main part of the budgetary resources of local self-government bodies is concentrated at the level of districts, villages, townships.

Trust funds are used for certain activities provided for by the plan for the socio-economic development of the area.

Public utilities have over 20 areas of activity, including s: housing; transport bus depots, tram and trolleybus depots, metro, funicular); municipal energy electrical, gas and heat networks);

utilities hotel, etc.);

Organizationally, enterprises and institutions of the socio-cultural sphere of the communal form of ownership can be divided into three groups: those that are fully funded by the budget; enterprises that are partially financed from local budgets; and enterprises that operate on the principle of self-sufficiency.

Thus, it can be determined that the material basis of local finance is centralized and decentralized financial resources, which are formed in stock and non-stock forms. The main financial funds of local authorities are: local budgets, reserve and target funds, funds of monetary resources of communal enterprises. Resources that are attracted by local authorities in the form of bank loans, from the placement of local loans and some others, as a rule, are in non-fund form. Local government finance, as a system, includes several main interrelated structural elements. These are expenses, incomes, institutions of the system, subjects and objects of the system and relations between the subjects of the system, between the system and other bodies of the financial system of the state. The main element of local finances is expenditures, since they reflect the functions and tasks that correspond to the local government.

The expenditures of local authorities, depending on their tasks, in most countries are divided into several functional types. First of all, the legislation identifies the so-called compulsory costs. These are expenditures aimed at fulfilling mandatory tasks that are consistent with all local authorities in order to ensure certain standards of services throughout the country. Obligatory expenses also include expenses of local authorities related to their debt obligations on loans and borrowings. In the structure of expenditures of local authorities, expenditures are also allocated for the implementation of tasks delegated by the central government. In addition to functional division, there is a division of costs according to their economic purpose. In this regard, the legislation of most countries distinguishes two large groups of costs. These are the so-called recurrent or administrative expenses and capital or investment expenses. Local government revenues can be classified according to their sources and economic nature.

**13.2 According to the sources, local government revenues are divided into: tax revenues;**

non-tax income payments, income from property owned by local authorities, and from the economic activities of enterprises of communal ownership, attracted by local authorities in the loan capital market); The structure of incomes by their sources in each country has its own characteristics. According to the economic nature, local government revenues are divided into own revenues and assigned revenues transferred to local government). Own revenues are revenues that are mobilized by the local government independently on the basis of their own decisions and from sources determined by the local government. Own income includes local taxes, real estate tax and vehicle owner tax, as well as fees for licenses for certain types of economic activities and certificates issued by the executive bodies of the respective councils; payment for state registration of business entities; payment for a trade patent for certain types of business activities; receipt of administrative fines; simplified tax from business entities to the extent that belongs to the relevant The executive bodies of local self-government can also receive short-term for up to three months) loans from financial institutions with repayment within the boundaries of the current budget period. Another form of the emergence of obligations is the provision by local governments of guarantees for loans from commercial banks. In case of late repayment of loans, the budget guarantee comes into effect. The functioning of certain financial institutions is closely related to expenses, income and methods of generating income. Institutions in the local finance system should be understood as a set of organizational structures that ensure the functioning of local authorities. Institutions such as an independent local budget, off-budget, foreign exchange and targeted funds, communal property, local taxes and fees, loans, operating expenses, the current budget, etc. have appeared and are developing in the local finance system. In other countries, the main subjects of financial relations in the field of local finance are municipalities, communes, regions, departments, provinces, regions, districts and other administrative-territorial entities. Objects of local f financial resources are financial resources that are mobilized, distributed and used by local authorities to carry out the functions and tasks assigned to them. From the point of view of methodology, the structuring of local financial resources is important, which makes it possible not only to show the totality of financial relations that characterize the economic essence of local finance, but also to reveal the nature of the relationships between the elements of the system.

This, in turn, makes it possible to produce both quantitative and qualitative analysis of local financial resources. Financial resources of enterprises, banks and other financial and credit institutions, financial resources of enterprises of various forms of ownership, which they use to finance socio-cultural and housing and communal facilities, will play a large role in meeting social interests and needs. The satisfaction of social interests and needs is also influenced by the financial resources of public organizations and institutions: sports societies, parties, trade unions, charitable foundations, etc.

**13.3. Local budgets - the financial basis of local self-government The determining link in local finance is local budgets.**

They concentrate over 80% of all financial resources that are at the disposal of local government. The essence of local budgets must be considered in two aspects. First, as an organizational form for mobilizing part of the financial resources at the disposal of local self-government bodies. Secondly, as a system of financial relations, which develops between local and state budgets, as well as within local budgets. As an organizational form of revenue mobilization and implementation of costs by local self-government bodies, local budgets are balance calculations that meet the requirements for drawing up balances, that is, they have a revenue and cost part, principles of balance, etc. Therefore, it can be argued that local budgets are balance calculations of income and costs that are mobilized and spent in the relevant territory.

At the same time, local budgets should be considered as an important financial category, the basis of which is the system of financial relations, namely:

-relationships between bodies, local self-government and economic structures that operate in a given territory;

- the relationship between the local government and the population of a given territory, which are formed during the mobilization and spending of funds from local budgets;

- relations between local authorities of different levels in the redistribution of financial resources;

- the relationship between local budgets and the state budget. Today, significant scientific and practical discussions are underway around the issues of strengthening the financial independence of local budgets, scientific substantiation of the concept of delimiting income and costs of different parts of the budget system, the relationship between local budgets and the state budget.

All these issues to one degree or another found their reflection in the Budget Code. Nevertheless, the reform of the budgetary system depends on what level of autonomy and independence will be given to local Hukumats.

The independence of local Khukumats should be based on the legislatively fixed amount of income that goes to local budgets depending on the volume of created and used financial resources in a certain territory. Local budget revenues are formed from local taxes and non-tax revenues, receipts from the highest level budgets.

The relationship between these sources depends on the functions that are given to the regional governments, on the potential for them to receive local taxes, as well as on the ability of higher authorities to provide financial support to the territories. Taxes are the main source of local budgets. In turn, all taxes that go to local budgets are divided into two groups: local taxes and receipts from top-level budgets. Local taxes and fees are mandatory payments that are established by village, settlement, city councils in accordance with the law, operate within the boundaries of the corresponding administrative-territorial units and are credited to the budgets.

Effective use of the institution of local taxes and fees is an important way to strengthen the entire financial system of the state. The most important at the local level are taxes on real estate of legal entities and individuals and on land. So in Ireland, Holland, Great Britain and the USA from 70 to 100 percent of local budget revenues are property taxes.

The rest of the revenues of local budgets in these countries are in the form of indirect taxes on goods and services. In the United States, property taxes account for about 12% of all nationwide tax revenues and 75% of local tax revenues. The payers are legal entities and individuals. Objects of taxation are determined by the legislation of individual states.

All property is divided into the following categories:

real estate land, buildings);

real tangible) personal property equipment, cars, crops, herd, household property);

intangible assets shares, debentures, money);

objects of utilities and other enterprises, railway objects.

In Belgium, Denmark, Germany, Italy, Norway, 70 to 90 percent of all revenues of local budgets are generated in the form of taxes on the profits of business structures and on the income of individuals. As a rule, in most of these countries, along with national taxes on corporate profits, there are similar local taxes or local surcharges are imposed on this tax. A similar situation takes place with respect to personal income tax.

The remainder of the revenues of local budgets in these countries are property taxes and indirect taxes on goods and services. Separately, one can single out France, where up to 35 percent of local budget revenues are property taxes, up to 20 percent are taxes on profits of business structures and personal income, over 10 percent are indirect taxes on goods and services, and almost 35 percent are other types of local taxes. In many countries, taxes on trade, on dogs, on entertainment, on shows, on the ownership of vehicles, on the sale of alcoholic beverages, on the issuance of inheritance licenses, on gifts, on persons who own two apartments, on hunting and fishing, opening hotels, cleaning streets and disposing of food waste, advertising, etc.

The system of local taxes and fees is quite ramified. In Belgium, for example, 100 local taxes and duties have been introduced, in Italy - 70, in France - over 50. However, in some countries only a few local taxes are applied, but these countries are an exception. A feature of local taxes and fees in most developed countries is also their regressiveness, that is, a part of local taxes and fees decreases relative to the total amount of income if incomes increase. At the same time, some countries apply progressive tax rates in relation to the main local taxes. This is typical, for example, for Finland, Norway, Spain, Sweden, Switzerland when taxing personal property of citizens. Local taxes are used at all levels of local government. In France, these are communes, departments and regions. In addition to local taxes, taxes are also credited that are applied in federal states by the subjects of the federation. In Germany, these are the lands, in the USA - the states. That is, each level of government in most developed countries has its own tax system. In some countries, primarily in Canada, the issue of financial support of local governments is solved with the help of grants. The central authorities provide funds to reimburse all or part of the costs of certain types of services. Grants, as a rule, are provided for services of state importance education, security, health, etc.), as well as for leveling the economic development of certain territories. To calculate the amount of a grant for a particular type of service, formulas for calculating costs are established, which include a number of restrictions and factors. In most countries, the central government provides grants directly to the core local government. Local taxes and fees provide significant revenues to local budgets, providing real financial autonomy for local governments and local government bodies.

**13.4. Balancing local budgets The state of formation and use of local budgets essentially depends on the solution of the problems of balancing budgets.**

Moreover, transfer payments are provided to territories with clearly defined directions of their spending, which will ensure the targeted use of funds. The second part of balancing budgets concerns the expenditure side. When balancing local budget expenditures, it is very important to take into account the structural expenditures of territories. The main characteristic should be the absolute transparency of the balancing system, that is, each person, if desired, will be able to check the directions of spending the funds that were withdrawn from the budget revenues for the purpose of redistribution. The solution to the problems of balancing budgets is possible only with a clear coordination of government functions with different levels of executive power and the determination of the economic foundations of the redistribution processes in relation to the equalization of the financial capabilities of the territories. One of the main goals of the state regional financial policy regarding the convergence of the levels of socio-economic development of territories is to overcome vertical and horizontal imbalances and financial equalization. New mechanisms of interbudgetary relations provide for the gradual equalization of the provision of administrative-territorial units with budgetary funds at the same time the creation of incentives for local authorities to rationalize indicators of local budgets and increase their revenue base.

**Questions to reinforce topic 13.**

1. So why is credit an economic category, based on the existence and necessity of its use by banks, and thousands of professionals are engaged in lending every day?

2. Why do businesses and individuals mortgage their buildings, houses, cars, and other equipment?

3. Why do the media constantly criticize banks and the government for not fully providing loans to customers?

4. Why is the demand for loans so high even in the richest countries of the world, such as Switzerland, America, Japan, Great Britain, etc.?

5. Why is there no country in the world that does not owe money to its people or to other countries, or lends to other countries?

6. Can't you live and work without credit?

7. What is a loan?

8. What is public debt?

9. What is domestic debt?

10. What is external debt?

11. Explain the principles of debt?

12. Explain the types of loans?

13. Describe the country's credit structure?

14. Explain the functions of the National Bank of Tajikistan?

15. Explain the interest rates on loans in Tajikistan?

**Tests on topic 13**

**1. When is it necessary to use a loan?**

a) the need to expand production and purchase new technologies

b) The need to meet personal needs

c) discrepancy between the time of production and the time of sale

d) All the answers are correct.

**2. Debt as an economic category Which of the following functions does not perform?**

a) redistribution of funds

b) regulates the economy

c) controls.

d) reduces transaction costs

3. What is the term of the loan?

a) short-term loans up to 1 year

b) medium-term loans from 1 to 3 years

c) long-term loans for more than 5 years

d) All the answers are correct.

**4. Loan depending on the number of participants:**

A) bilateral and multilateral.

B) short-term, medium-term and long-term

C) individual and organization

D) secured and unsecured

**5. Indicate the main terms of the loan:**

a) long-term, medium-term and short-term loans

b) simple, reliable, soft, easy, simple and long-term loans

c) timeliness and return, maintenance and remuneration

d) large, medium and small loans

**6. What is the nature and necessity of the loan?**

a) is a sum of money given to the bank's clients for profit;

b) is the amount paid by the bank to legal entities and individuals in case of an increase in the bank's cash reserves;

c) funds provided by the bank to legal entities and individuals;

d) is a sum of money paid to customers of the bank to cover their expenses related to electricity, water, etc.

**7. What is the size of loans?**

a) large, medium and small loans

b) large, large, small, small loans

c) large, medium, small loans

d) small and medium loans

**8. Debt is:**

a) is a type of movement of debt capital.

b) is a type of relationship between participants in economic relations.

c) non-cash exchange.

d) All answers are incorrect.

**9. What is the average interest rate on bank loans in the Republic of Tajikistan?**

a) 2.5, 3% per month, 30-36% per year.

b) 8, 10% per month, 20-25% per year

c) 5.8% per month, 18-26% per year

d) 5.6% per month, 50-70% per year.

**10. Loan depending on the repayment procedure:**

a) a debt that is repaid at the end of the term

b) a loan that is repaid in installments over a period of time

c) a debt to be repaid upon maturity

d) Answers A and B are correct.

**11. Depending on the interest the loan is divided into:**

a) loans with clearly defined interest rates

b) variable interest loans

c) interest-free loans

d) Answers A and B are correct.

**12. The loan is provided on \_\_\_\_\_\_\_ terms:**

а) urgency, recoverability, remuneration and security

b) refundable, free, indefinite and incentive

c) indefinite, refundable, free of charge

d) regulatory, supervisory, incentive and distribution

**13. A loan secured by securities is:**

a) consumer debt

b) international debt

c) pawn debt

d) mortgage debt

**14. Primary forms of credit**

a) commodity loans.

b) monetary and property loans

c) cash loans

d) loans to proxies

**15. Currency depending on the currency is divided into:**

a) in the national currency of another country.

b) in US dollars

c) in Tajik rubles

d) with goods

**16. An interstate debt is a debt that \_\_\_\_\_\_\_ plays the role of a borrower.**

a) the bank

b) the state

c) the enterprise

d) the household

**17 What are the types of bank loans by location?**

a) to expand production

b) for industry, trade, agriculture

c) to meet the demand for cash

d) for reproduction of fixed assets and organization of working capital

**18. What documents must a client submit to the bank to receive a loan?**

a) application, business plan, pledge or guarantee agreement, annual and monthly balance sheet, draft loan agreement, information on loans from other banks

b) application, business plan, pledge or guarantee agreement, draft loan agreement, information on loans from other banks

c) application, business plan, annual balance sheet and balance sheet for the current month, pledge agreement or guarantee, loan repayment obligation, information on loans received from other banks.

d) mortgage or guarantee agreement, annual and monthly balance sheet, draft loan agreement, information on loans from other banks.

***Questions on topic 13:***

**The problem 1.**

The organization has deposited 210 thousand somoni in the World Bank for a period of 1 year at 14% per annum with a simple interest rate. Find the amount of money in the account of the organization at the end of the period, taking into account the addition of interest when calculating the simple interest.

Solution: Using formula (9), determine the value of S:

S = P · (1 + ni) = 210000 · (1+ 1 · 0.14) = 210000 · 1.14 = 239400 somoni.

**The problem 2.**

How long does it take to double a deposit of 5,000 somoni at 20% per annum?

Solution: Using formula (11) we determine the value of n:

*n* = == = = 5 year.

**The problem 3.**

Deposits in the amount of 220 mln. somoni after 4 years at the rate of 15% per annum.

**Solution:** Using Equation (5), calculate the increment:*S=P·(1 + i)n* = 220000000∙(1 + 0,45 = 220000000·(1,15 = 220000000·1,749 = 384780000 somoni.

**The problem 4.**

The amount of the deposit in the amount of 12250 somoni after three years at 12% per annum in the case of compound interest with interest accrued on a monthly basis.

**Solution:** Using formula (18), we determine the amount of the deposit when calculating the compound interest by calculating the interest on a monthly basis:

*S=P·(1 + )m·n =* 12250·(1 + )3·12 *=*12250·(1 + 0.01)36 =

= 12250·(1.01)36 = 12250·1.431 = 25081 somoni.

**The problem 5.**

Determine the required amount of the deposit, which after 2 years should be 120,000 somoni, when calculating the compound interest. The bank's interest rate is 20% per annum.

Solution: Using formula (15) we find the value of P:

*P* = = = = = 83333.3 somoni.

**The problem 6.**

The investor has 60 thousand somoni. After 3 years, he aims to earn 72,000 somoni. Find the smallest interest rate when using a compound interest rate.

**Solution:** Using formula (16), determine the value of the interest rate:

 = – 1 = – 1 = ,064 - 1 = 0,064 ё 6,4% annual.

**The problem 7.**

After some time, the amount of the deposit in the bank is equal to 15,000 somoni, while using a compound interest rate of 12% per annum, it reaches 20,000 somoni.

**Solution:** Using formula (17) we determine the value of in:

 *= = =*  = = 2,5 year.

**The problem 8**

JSC “X” received $ 300,000 from Bank A. The US borrowed for 3 months at 60% per annum. Interest is paid in advance. How much does JSC “X” receive?

**The problem 9**

The borrower receives from the lender 1 mln. Somoni at 3% per annum, with inflation at 2%. Determine the lender's actual income for the year.

**The problem 10**

Determine the amount of monthly repayment for a loan of 50 thousand somoni at the rate of 5% per annum for 6 months.

**The problem 11**

The annual tuition fee at a higher education institution is 2,000 somoni and will increase taking into account inflation (10%). Duration of study is 5 years. The university proposes to pay 10 thousand somoni at once for the entire period of study. Is this suggestion useful for the learner? Bank interest on the deposit is 12%, the deposit amount is 12 thousand somoni.

**CHAPTER 14. FINANCE OF ENTERPRISES**

**14.1. The essence and objectives of the finance of commercial enterprises, organizations, the principles of their organization.**

**14.2. Functions of enterprise finance.**

**14.3. Incomes of enterprises, the procedure for their formation and use.**

**14.4. Profit, the procedure for its formation and distribution. Consumption fund and accumulation fund, their economic essence.**

**14.5. Equity capital of the enterprise. Financing of fixed assets,**

**14.6. The working capital of the enterprise, the sources of its financing.**

**14.1. The essence and functions of enterprise finance.**

An enterprise is an independent business unit that combines financial resources created to organize entrepreneurial activities for the production of goods and the provision of services in order to generate profit income). The finances of enterprises are a set of economic relations arising from the formation, distribution and use of decentralized funds of financial resources of enterprises, organizations and institutions.

According to its economic content, the entire set of financial relations of enterprises can be grouped in the following areas: First, the financial relations that arise between the founders at the time of the creation of an organization, an enterprise in connection with the formation of equity capital and in its composition of the authorized capital.

The authorized capital is the initial source of the formation of production assets, the acquisition of intangible assets; Secondly, financial relations between individual enterprises and organizations associated with the production and sale of products, the emergence of newly created value.

These relations arise between the supplier and the buyer of raw materials, materials, finished products, relations with transport organizations in the transport of goods, communications enterprises and many other enterprises and organizations;

Thirdly, the relationship arising between enterprises and their divisions branches, workshops, departments, teams) regarding the joint financing of costs, distribution and use of profits, working capital, etc. the organization and rhythm of production depends on these relations;

Fourth, the financial relations arising between the enterprise and their employees during the distribution and use of income, payment of wages, issue and placement of shares and bonds in a joint-stock company, payment of interest on bonds and dividends on shares, collection of fines and compensation for material damage, withholding taxes from employees, etc.

These financial relationships affect the efficiency of the use of labor resources; Fifth, the financial relations arising between enterprises and the financial, tax system in the payment of taxes, payments and fees to the budget, the formation of off-budget funds, the provision of tax benefits to them, the application of penalties, financing from the budget;

Sixth, the financial relations arising between the enterprise and the banking system in the process of keeping money in banks, obtaining and repaying loans, paying interest on a bank loan, buying and selling foreign currency, and providing other services;

Seventh, financial relations arising between enterprises and insurance companies when insuring the property of certain categories of employees, commercial and entrepreneurial risks;

Eighth, financial relations between enterprises and investment institutions in the course of investment placement, privatization.

It should be noted that each of these listed groups has its own characteristics and scope, and they are all bilateral in nature and their material basis is cash flow. The movement of funds is accompanied by the formation of the authorized capital of the enterprise, the process of circulation of funds, the formation and use of funds and reserves is carried out.

The main feature of enterprise finance is the versatility of financial relations, the variety of their forms and purpose. Numerous production and consumer funds are being created at the enterprise. The finances of an enterprise are directly related to the production process, with their commercial activities, i.e. making a profit. The state of the company's finances directly depends on the results of production, its efficiency.

At the same time, production, its development and improvement largely depend on the state of finances. In the absence of financial resources, it is impossible to ensure investment investments, equip enterprises with new modern equipment, create accumulation and consumption funds, etc. The initial formation of financial resources occurs at the time of the establishment of the enterprise, when the statutory fund is formed.

Its sources, depending on the organizational and legal forms of management, are:

share capital, shares of members of cooperatives, industry financial resources, long-term loans, budget funds. The financial resources of an enterprise are monetary incomes and receipts at the disposal of a business entity and intended for the fulfillment of financial obligations, the implementation of costs for expanded reproduction and the formation of enterprise funds.

The formation of financial resources is carried out at the expense of own and equivalent funds, the mobilization of resources in the financial market and the receipt of funds in the form of investments, loans, etc. The finance of enterprises is inherent in the function of finance, which discloses the essence of finance.

Some economists believe that enterprise finance serves the following functions:

- education of monetary s incomes and funds in the course of economic activity;

- the use of monetary incomes and funds for the development of production, material incentives for employees of the enterprise, associations and formation of budget revenues;

- Ruble control over production, distribution of the social product and national income. However, most scholars believe that finance has a distribution and control function. Through the distribution function, the initial capital is formed, formed from the contributions of the founders, its advance into production, reproduction and the formation of monetary funds and reserves of enterprises through the distribution and redistribution of incoming income. The initial stage of distribution is manifested in the process of the turnover of funds of enterprises, which can be represented in the form of the following formula:

**D - T ... .P ... .T - D = D - T ... P ... T - D = D – T**

Finance does not participate in the change of forms of value, carried out with the help of money in their function as a medium of exchange. Finance, financial relations arise only at the junction of two circuits, when the splitting of proceeds from sales into funds begins, which ensure the continuity of the reproduction process as a whole. Consequently, the circulation of funds of an enterprise is characterized not only by a change in the forms of value and a technological process, but also by the distribution of value among funds. A new cycle does not begin unless the proceeds are split into funds that are the sources of fulfillment and expansion of productive assets.

On the one hand, finance acts as an instrument of distribution, and on the other hand, the formed funds provide the process of production and reproduction with monetary resources. Sales proceeds are allocated to the reimbursement fund and gross income. The compensation fund is directed to depreciation deductions and to replenish current assets. After exclusion from the proceeds from the sale of material costs, gross income remains, i.e. a newly created product that serves as a source of remuneration for employees, i.e. VD is distributed and redistributed. VD is allocated to the payroll and net income. Net income is split into parts, into value added tax and profit, which is the initial stage of its distribution between the state taxes) and the enterprise profit). The profit at the enterprise is distributed, from it the profit tax goes to the budget and the accumulation fund and the consumption fund are formed, i.e. production funds, reserve funds, incentive funds. Finance as a distributional relationship provides sources of financing for the reproduction process.

The control function of finance is manifested through the cost accounting of the costs of production and sales of products, control over the activities of the enterprise is carried out through a comprehensive analysis of financial indicators, control over the implementation of financial plans, fulfillment of obligations to suppliers of commodity and material values, the state, banks, tax authorities and others.

Financial control is carried out by state regulatory authorities, tax authorities and independent audit firms during audits. The financial relations of the enterprise are based on certain organizational principles related to the foundations of economic activity: economic independence, commercial calculation, self-financing, material responsibility, material interest and the provision of financial reserves.

The principle of economic independence means that the company independently determines the scope of economic activity, sources of financing, directions of investment in order to generate profit. In a market economy, the activities of commercial organizations and enterprises are aimed at finding new areas for capital investment, creating such types of production that will correspond to consumer demand.

Despite the fact that enterprises have complete independence in the choice of production and sale, the use of capital and other sources, the state regulates certain aspects of their activities.

Commercial organizations and enterprises of all forms of ownership legally pay taxes and participate in the formation of budgetary and extra-budgetary funds. The principle of self-financing is one of the main conditions in entrepreneurial activity and means full self-sufficiency of the costs of production and sales of products, investment in the development of production at the expense of their own funds, their own financial resources. The financial resources of the enterprise are the funds accumulated by the enterprise for the implementation of economic activities, to ensure expanded reproduction, financing of scientific and technological progress. In the activities of enterprises, the decisive role is played by the company's own monetary funds: authorized capital, reserve capital, depreciation fund, accumulation fund and others.

The attracted funds are of great importance in the activities of enterprises, these are bank loans, factoring, leasing and investments, etc. The state provides financial support to enterprises in various sectors of the economy in the form of additional financing from the budget the principle of commercial settlement means that enterprises make short-term and long-term financial investments in the form of purchasing securities from other enterprises, the state itself issues securities, etc. The principle of material interest means that enterprises are interested in the results of entrepreneurial activity in making a profit and forming from it a consumption fund and accumulation funds in and in ensuring a high level of wages. The principle of material responsibility means that enterprises are fully responsible for maintaining and the results of their financial and economic activities under their concluded contracts with suppliers, buyers, calculation discipline for loans, tax liabilities received by them, etc. For violation of their obligations, settlement discipline, loan repayment terms in accordance with the law, they pay penalties, fines and penalties. The bankruptcy procedure is applied to enterprises that violate the law and are unable to comply with their obligations and do not ensure the repayment of the loan in accordance with the Law of the Republic of Tajikistan “On Bankruptcy”.

**14.2. Incomes of enterprises and their use.**

At the enterprise, in the process of manufacturing products, performing works and rendering services, the result of their activities is the receipt of proceeds from the sale of products works, services). The proceeds from the sale of products works, services) are the main source of the formation of the financial resources of the enterprise. It is formed as a result of the entrepreneurial activity of the enterprise in the main activity, in the investment activity. The proceeds from the main activities of the enterprise appear in the form of proceeds from the sale of products work performed, services rendered). The proceeds from the sale of products are the main source of reimbursement of advanced capital, its accumulation, and the formation of cash funds. Prices can be selling, wholesale, retail, negotiated, free market), regulating. The selling price is the price at which the enterprise sells products to the buyer. It includes the total cost and profit of the enterprise. The enterprise's wholesale price includes full cost and profit. At the enterprise's wholesale prices, the products are sold to other enterprises or trade and sales organizations. The industrial wholesale price includes the enterprise's wholesale price, VAT and excise taxes. State regulatory prices can be set for energy, transport, etc.

The retail price includes the wholesale price of the industry and the trade cape discount). At retail prices, the goods are sold to the final consumer - the population. In the modern market, contractual, exchange, regulatory, market futures and other prices are used. In a market economy, prices depend on supply and demand in the market. For the enterprise, the proceeds from the products sold are planned and determined in the following order:

В = О1 + Т –О2 where, B- proceeds from the sale of products;

О1- unrealized balances of finished products at the beginning of the planned year;

T - commercial products produced in the planned period;

О2-Remains of unsold finished goods in the planning period. The amount of proceeds from sold products depends on the following factors, which directly depend on the activities of the enterprise:

in the field of production, on the volume of production, on its assortment structure, product quality on the price level, rhythm of production and shipment, compliance with contractual conditions and other facts. Factors that do not depend on the activities of enterprises include the supply of the enterprise with material resources, energy resources, the operation of transport, etc. Social tax is paid from the payroll fund to targeted off-budget funds.

The rest of the PD takes the form of the company's net income, i.e. profit of the enterprise.

**14.3. Profit is the order of its formation and distribution and distribution.**

Profit is one of the most important indicators characterizing the final financial results of an enterprise. Profit is the main criterion for the efficiency of production at the enterprise. Profit plays a key role in the market economy, since profit at an enterprise is the main factor in its economic and social development. At each enterprise, profit acts as income, part of which is charged to the budget, the other part remains at its disposal and has a stimulating effect on the enterprise's collective in achieving the best results of its activities.

The following types of profit are distinguished at the enterprise: profit from the sale of products work, services), profit from fixed assets and other property and other income from non-sales operations

DO) reduced by the amount of expenses for these operations RVO)

BP = Pr + Dvo-Rvo). Profit loss)

from the sale of products works, services)

and goods is determined as the difference between the proceeds from the sale of products, works and services BP)

excluding VAT and excise taxes, and other taxes, fees paid from the proceeds and the costs of production and sales of products included in the cost of products, products, works and services Zt).

Pr = Vr-Zt. Non-leased income includes: income in the territory of the Republic of Tajikistan and abroad from equity participation in activities from other enterprises, income from renting out property, income dividends) on shares, bonds and other securities owned by the enterprise, as well as others. income from the award or recognized by the debtor fines, penalties, forfeits and other sanctions for violation of business contracts, as well as income from compensation for damages, other income not related to the production and sale of products.

Non-operating expenses include: costs from canceled production orders, as well as production that did not produce products; costs from the award or fines, penalties and other types of sanctions recognized by the debtor for violation of the terms of business contracts, as well as costs for reimbursement of losses incurred; losses from writing off accounts receivable and expired statute of limitations and other debts; losses on operations of previous years; tax payments attributed to financial results. Gross profit rearranges the amount of profit loss) from the sale of fixed assets, other property of the enterprise PF) and income from non-sale operations DO) reduced by the amount of expenses on these operations

RVO). VP = Pr + Pof ± Dvo - Rvo)

In contrast to the balance sheet profit, the gross profit reflects the profit from the sale of fixed assets and other property. VD includes all types of income received at the enterprise. Profit growth is influenced by a combination of factors that depend and do not depend on the activities of enterprises. Factors dependent on the activities of enterprises include: an increase in the volume of production, a decrease in its cost, an increase in product quality and an improvement in assortments, an increase in labor productivity. Factors that do not depend on the activities of enterprises include: price changes, the impact of transport conditions on production and sales of products, etc. From the gross profit of the enterprise, first of all, profit tax is paid to the budget at a rate of 25 percent. From the remaining part of the net profit at the enterprise, an accumulation fund and a consumption fund, as well as a reserve fund, are formed. The consumption fund is used to meet the material and social needs of employees. This fund finances the costs of operating social and domestic facilities, construction of residential buildings, holding cultural events, payment of bonuses, material assistance, payment of allowances to pensions, compensation to workers, etc. A reserve fund is also formed for the company to ensure financial stability, replenishment of the fixed capital to cover the company's losses.

**14.4. Fixed and circulating assets of the enterprise.**

To carry out production activities, enterprises are endowed with basic production and circulating assets. Fixed production assets are means of labor that for a long time participate in the production process in their material-natural form and in parts transfer their value to finished products. The main production assets include machinery, equipment, vehicles, buildings, structures, transmission devices, computers, measuring and control devices. Fixed assets are cash invested in fixed assets. Fixed assets are assessed at the following cost: initial, replacement, residual and liquidation. The initial cost is the sum of the actual costs of the acquisition of fixed assets, reflected in the balance sheet of the enterprise. The replacement cost of fixed assets is the reproduction cost of fixed assets at a certain date, taking into account the revaluations carried out. It is defined as the initial cost, taking into account the costs posted. Residual value is the initial value or replacement value, taking into account depreciation calculated according to the rates of depreciation deductions.

The liquidation value of fixed assets is determined by the liquidation commission during the liquidation of the enterprise, due to its bankruptcy. A necessary condition for the development and improvement of the enterprise is the reproduction of fixed assets, that is, their renewal, modernization, expansion, reconstruction and technical re-equipment. For the reproduction of fixed assets, additional financial resources are allocated in the form of capital investments or investments. Capital investments represent the cost of construction and installation work, the purchase of machinery, equipment, inventory, and other capital work. One of the forms of simple reproduction of fixed assets is overhaul. Expansion of the reproduction of fixed assets is the creation of new facilities, expansion, reconstruction and technical re-equipment of fixed assets. The sources of reproduction of fixed assets are: Own funds of the enterprise; Attracted funds; Long-term bank loans; Funds of foreign investors; State budget funds. The own source of reproduction of fixed assets is the amortization fund. Depreciation is the depreciation of fixed assets in monetary terms and the transfer of part of the cost of fixed assets to finished products. The depreciation fund is the amount of accumulated depreciation charges. Annual depreciation charges to the depreciation fund are made in accordance with the depreciation rate. The rate of depreciation On) is determined in the following order:

**Na = Ps + Ks + Ms-Os / PsxT x 100,**

Ps - the initial cost of fixed assets;

Кс - the cost of overhaul;

Ms - the cost of modernization of fixed assets;

Os - residual value of fixed assets; T is the standard service life of fixed assets. The annual depreciation service AG) is determined in the following order:

Ar = Cx Na / 100, where Co - the average annual cost of fixed assets for the year; On - the rate of depreciation.

Depreciation deductions occupy the largest share of enterprises' investments aimed at financing investments. With a lack of its own funds, the enterprise resorts to long-term bank loans for construction, expansion, reconstruction, technical re-equipment of production facilities. Sources of investment financing are borrowed funds in the form of issuing securities, bonds and bills and their placement on the financial market, and attracting additional resources. Additional funds are attracted through the development of financial leasing. Financial leasing is a type of entrepreneurial activity aimed at investing temporarily free or attracted financial resources, in which, under a financial lease leasing) agreement, the lessor lessor) undertakes to acquire ownership of the property stipulated by the agreement from the seller and provide this property to the lessee lessee) for a fee for temporary use for business purposes. Financial leasing is carried out through a leasing company that acquires ownership of the property for a third party and leases it for a specified period. Direct investment is an important source of reproduction of fixed capital. In the National Development Strategy, improving the investment climate is a priority. According to the Poverty Reduction Strategy Paper for 2007-2009, the volume of financing within the framework of the Public Investment Program is a rather significant package of investment resources, in 2006 investments were made 8.5% of GDP, in 2007 13.3% in 2008 - 8, eight%. Tajikistan still lags behind other CIS countries in terms of inflows of foreign direct investment and has the lowest inflow of investments among the CIS countries. Investments in fixed capital are supposed to be directed to priority sectors of the economy and, first of all, to the construction of the Rogun hydroelectric power station at the expense of the state budget, and in 2009 - 2011, more than 43% of the total capital investments will be allocated to finance this goal. The priority areas in the Medium-Term Public Expenditure Program are the development of the private sector and the promotion of investment through the implementation of investment projects in the field of energy, transport, agriculture and water management. So, in the Public Investment Program for 2009-2011. 499.6 million somoni will be allocated for the most important sectors of the economy in the fuel - energy complex, which will amount to 37.7% of the volume of investments for these years, and 451.7 million somoni, that is, 34.1%, for the agro-industrial complex, and transport and communications 210.6 thousand somoni, i.e. 15.9%. Along with investments, the sources of financing for the reproduction of fixed assets are also borrowed funds from other enterprises and long-term loans from banks. The efficiency of the use of fixed assets of the enterprise, which is determined through performance indicators, is of great importance. The performance indicators include: return on assets, fund capacity, profitability and capital assets. These indicators are determined in the following order:

**Фо = Вр / SOF,** where

Fo - return on assets;

Вр - proceeds from the sale of goods, works and services;

SOF is the average cost of fixed assets.

Fe = SOF / Bp, where Fe - capital capacity SOF is the average cost of fixed assets;

P = P / SOF, where Р - profitability, P - profit; SOF - average cost of fixed assets

Фв = SOF / СЧР, where Фв - capital-labor ratio; СЧР - the average number of employees.

Improving the efficiency of fixed assets is possible on the basis of intensive use of fixed assets, advanced technologies, growth in labor productivity, etc. At the enterprise, working capital is of great importance in production activities. Cash advanced in working capital is called working capital. Working capital is the means that serve the process of economic activity, participating simultaneously in the production process and in the process of selling products. The working capital of the enterprise must ensure the continuity and rhythm of the process of production and circulation. Working capital, in contrast to fixed capital, functions only in one production cycle and completely transfers its value to the manufactured product. The working capital at the enterprise is divided into working capital and circulation funds. Reversible production assets include items of labor: raw materials, basic and auxiliary materials, purchased semi-finished products, fuel, fuel, low-value and wearing items MBP), tools, inventory, spare parts, work in progress, semi-finished products, and future expenses. The circulation funds include: finished products in the warehouse, goods shipped, cash, accounts receivable and funds in settlements. The sources of the formation of working capital are own, equated to own, borrowed and borrowed funds. Own funds play an important role in organizing the turnover of enterprise funds. Initially, the formation of equity capital is carried out at the time of the establishment of the enterprise. Own sources of working capital are the authorized capital, profit, share premium. Share premium represents the difference between the sale and par value of shares received on their sale. The profit of the enterprise is directed to the position of working capital, to cover the increase in the standard of working capital. Each enterprise has funds equated to its own - these are stable liabilities. Stable liabilities are funds that are constantly in the turnover of the enterprise. Sustainable liabilities include: stable accounts payable, minimum wages and social insurance and security arrears, temporary use of tax amounts that are accrued ahead of schedule, reserves for future payments and expenses, carry-over balances of consumption funds. In the turnover of the enterprise, in addition to its own funds, there are borrowed funds - short-term bank loans, commercial loans, loans. The borrowed sources have a designated purpose, make a faster turnover, their use is under stricter control by banks. Short-term loans are used to make up for the lack of own circulating assets. The efficiency of using working capital is determined using the turnover indicator. To calculate it, use the average amount of working capital and sales proceeds or profit. One of the main indicators of turnover is the duration of one turnover of working capital. The turnover in days Od) is calculated in the following order:

Od = Os x Po / Bp, where Os - the average amount of working capital;

By - the duration of the reporting period;

Вр - sales proceeds in the reporting period. Turnover is also measured by the number of revolutions made by circulating assets for a certain period of time.

This indicator is called the turnover rate, which is calculated as follows:

KO = Bp / Os, where KO - turnover ratio.

Вр - proceeds from sales in the reporting period;

Os - the average amount of working capital If the number of revolutions made by circulating assets at the enterprise increases or remains stable, then the enterprise works rhythmically and rationally uses funds.

***Questions to reinforce topic 14.***

*1. What is currency?*

*2. Functions of the world currency market?*

*3. What is the currency market?*

*4. What are the types of currencies?*

*5. Explain the structure of the foreign exchange market?*

*6. Explain the Law of the Republic of Tajikistan “On currency regulation and exchange control”? .*

*7. What are the regulations on migration?*

*8. Describe foreign exchange transactions?*

*9. What is devaluation?*

*10. Revolution Types of interest rates on loans ?.*

***Tests on topic 14.***

***1. What part of the balance sheet contains information about the debt obligations of the enterprise?***

*a) on the asset part;*

*b) in the part of liabilities;*

*c) both in assets and liabilities;*

*d) not in any part.*

***2. The loan is provided on the following terms:***

*a) irrevocable;*

*b) indefinitely;*

*c) returnable*

*d) free of charge.*

***3. The amount of money provided by a bank or lending institution to a borrower in the amount and on the terms specified in the loan agreement is called:***

*a) debt;*

*b) a deposit;*

*c) income;*

*d) guarantee****.***

***4. Debt as an independent category performs the following main functions:***

*a) attraction of cash;*

*b) use of monetary funds and cash;*

*c) cash control;*

*d) attraction of non-cash funds.*

***5. Financial and material values, real estate, securities, production costs and manufactured products, which serve the lender as a guarantee of full and timely repayment of the borrowed loan and payment of interest, are:***

*a) loan security;*

*b) guarantee;*

*c) warranty;*

*d) went out.*

***6. Loans can be issued by:***

*a) small enterprises;*

*b) investment funds;*

*c) individuals;*

*d). small businesses and individuals.*

***7. An interbank loan is a loan in which the borrower is:***

*a) the enterprise;*

*b) individuals;*

*c) the bank;*

*d) organization.*

***8. The main types of loan collateral are:***

*a) a guarantee;*

*b) loan agreement;*

*c) calculation rate;*

*d) interest on the loan.*

***9. An interbank loan is:***

*a) a loan issued by a bank to a legal entity;*

*b) self-lending;*

*c) a loan provided by a legal entity to a bank;*

*d) a loan provided by one commercial bank to another.*

***10. Increase of credit reserves of commercial banks by the central bank is:***

*a) credit restriction;*

*b) credit expansion;*

*c) credit policy;*

*d) banking support.*

**Solving examples and problems on topic 14.**

**The problem 1**

Commercial bank to an individual Karimov RA has issued a bank loan in the amount of 1000 Somoni for a period of 12 months at the rate of 32% per annum. Determine the amount that customers will pay to the bank after 12 months.

**Solution:**

S = P \* (1 + ni) = 1000 \* (1 + 0.32) = 1320

**Answer:** The client pays 1320 somoni to the bank after the loan term expires.

**The problem 2**

The legal entity made a deposit in the branch of CJSC MFO "Imon International" in the amount of 1000 Somoni at the rate of 13% per annum for a period of 12 months. The interest is calculated quarterly and is added to the fixed capital. Calculate how much the legal entity will receive after the expiration of the term.

**Solution:**

In the first quarter:

1000 \* 0.13 / 4 = 32.5

In the second quarter:

1032.5 \* 0.13 / 4 = 33.55625

In the third quarter:

1066.05625 \* 0.13 / 4 = 34.646828125

In the fourth quarter:

1100,703078125 \* 0,13 / 4 = 35,7728500391

1100,703078125 + 35,7728500391 = 1136,4759281641

Answer: a legal entity after the expiration of the term receives 1136,4759281641 somoni.

Issue 3

The interest rate for the loan is 180% per annum. The average time of payment turnover with buyers is 14 days. The buyer receives invoices in the amount of 300 thousand USD. proposed. Determine the interest rate and factoring fee.

Solution:

Balance = 

Factoring fees: 

**The problem 4**

Individual Azizov A. made a deposit in the commercial bank "Eskhata" in the amount of 1000 TJS per year at the rate of 21%. Percentage is calculated quarterly and added to the fixed capital. Calculate how much money the client will receive at the end of the term.

**The problem 5**

Three clients applied to a commercial bank for a loan for a period of 2 years. Objects of the borrower are:

1) construction of a multi-storey building at the airport;

2) publication of a children's encyclopedia abroad and for sale in Russia

3) processing and production of new generation medical drugs

The amount requested for the loan is $ 2,000,000. United States. Which project would you prefer to lend to (from a commercial bank point of view) and why?

**CHAPTER 15. INSURANCE AND INSURANCE MARKET**

**15.1. Features of financial relations in the field of insurance**

**15.2 Insurance and insurance market. Features of financial relations in the field of insurance 15.3. The essence of insurance is manifested in its functions.**

**15.4. Forms of insurance funds.**

**15.5. Organization of insurance.**

**15.6. Insurance market**

**15.1. Features of financial relations in the field of insurance**

The economic essence and role of insurance in the organization of public finances. Insurance is an integral part of the financial system. Insurance organizations in foreign countries, the forms of their formation. Active and passive operations of insurance organizations. Insurance organizations and the insurance system in the Republic of Tatarstan. Actuarial calculations and their role in the activities of "Tojiksugurta" state insurance organization). State insurance supervision and its role in regulating the activities of insurance organizations in Tajikistan. Reinsurance, its essence and necessity. System and types of insurance activities in the Republic of Tatarstan. The economic efficiency of insurance. Determination of economically efficient obligations of the activities of insurance organizations of the republic. Ways to improve insurance activities in the Republic of Tajikistan.

**15.2. Insurance and insurance market. Features of financial relations in the field of insurance Insurance is an independent area of the financial system.**

Including the insurance sector in the financial system, we proceed from the assumption that the economic category of insurance is an integral part of finance.

At the same time, it is possible to identify essential features that characterize the specificity of insurance. It:

1. Insurance is connected only with redistributive relations, which are caused by the occurrence of sudden, unforeseen events, that is, insurance events that cause material or other harm to the national economy and the population. In a market economy, along with the traditional use of insurance opportunities for protection against natural emergencies earthquakes, hurricanes, floods, etc.) and man-made risks fire, accidents, explosions, etc.), there is an increasing need among entrepreneurs for insurance coverage of losses. that arise in case of violation of financial and credit obligations, insolvency of counterparties, fluctuations in exchange rates and the action of other economic factors that lead to loss of profits and real income. Insurance protection of life, health, working capacity and material well-being of the population is also related to its economic interests and is realized with the help of insurance services.

2.In the case of insurance, there is joint and several liability for the damage caused to its participants. The emergence of such redistributive relations is due to the fact that the accidental nature of causing harm bears material or other losses, which, as a rule, do not cover all farms, not the entire territory of a given country or region, but only part of them. This creates conditions for compensation for losses through joint liability for losses of some farms, among all insured farms. At the same time, the larger the circle of insurance participants, the smaller the share in the breakdown of losses falls on each insured. Insurance becomes the most effective method of compensation for losses if a large number of policyholders participate in it.

They themselves ensure a sufficient concentration of funds in a single fund, which is called an insurance fund. Then it becomes possible to recover the maximum losses at the minimum cost of each policyholder.

The distribution of losses determines the return of funds raised to the insurance fund. The insurance payments of each insured made to the insurance fund have only one purpose - to reimburse the probable amount of harm in a certain amount over a certain period. Therefore, the entire amount of insurance payments excluding the overhead costs of the organization that carries out the insurance) is returned in the form of compensation for losses over a certain time period in the same territory.

Redistributive relations in insurance go beyond the calendar year. Distribution of losses occurs over time, associated with the random nature of the occurrence of extraordinary events: for several years in a row, extraordinary events may not occur, and the exact time of their occurrence is unknown.

This circumstance gives rise to the need to reserve in favorable years a part of insurance payments that came from insurance in order to create a reserve fund as a source of compensation for extraordinary losses in an unfavorable year.

The above features of redistributive relations that arise during insurance make it possible to define it as follows: Insurance as an economic category is a set of special closed redistributive relations between its participants for the formation of a targeted insurance fund and its use to compensate for losses caused due to unforeseen unfavorable circumstances, as well as to provide material assistance to citizens in the event of certain events in their lives. Insurance is the guarantor of compensation for losses caused to the property interests of the state, business entities and the population.

It largely relieves the budget from the burden of costs for reimbursement of losses that occur as a result of destructive nature cataclysms, man-made disasters, epidemics and other accidents, protects entrepreneurs from property and commercial costs, provides support for the standard of living of citizens. Entrepreneurship and insurance are inextricably linked. The presence of market relations necessitates the actions of independent producers at their own peril and risk, which enhances the importance of insurance services.

Entrepreneurship is characterized by new modern highly efficient technologies, the release of improved and new products, a willingness to take risks in the market, which can cause losses. Thus, entrepreneurs have an insurance interest. Insurance is an effective means of implementing the social policy of the state, providing material protection to citizens through the payment of pensions and cash assistance through the state social insurance system. Insurance is a stable source of investment resources for the state.

By investing the money of insurance reserves mainly under long-term personal insurance contracts) in priority areas, the state is able to solve global economic problems. Insurance is of strategic importance in the development of the national economy. Thus, insurance is both a means of attracting funds and a way to compensate for losses.

**15.3. The essence of insurance is manifested in its functions.**

They make it possible to discover the peculiarities of insurance as a sphere of the financial system. The functions are inherent in insurance: risky, preventive, accumulative and control. The main determining one is the risky function, since the insurance risk is the probability of losses directly related to the main purpose of insurance - the provision of financial assistance to affected farms or citizens. It is within the framework of the risky function that funds are redistributed among the insurance participants in connection with the consequences of insurance events. Insurance also performs a preventive function associated with the use of a part of the insurance fund to reduce the consequences of insurance risk. In life insurance, insurance most closely resembles a loan while maintaining an insurance contract.

So insurance can also have a funded function. The control function of insurance follows from the above specific functions and manifests itself simultaneously with them in specific insurance relations in the conditions of insurance. In accordance with the requirement of the control function, financial control over the correct conduct of insurance operations is carried out. Insurance relationships are quite diverse. As a rule, they are two - or three - sided. Bilateral relations develop between the policyholder and the insured, who is also the insured. In some cases, several policyholders may be involved in an insurance relationship.

This is due to two forms of insurance relationships: co-insurance and reinsurance. Co-insurance is the placement of one risk with particles with several policyholders.

Usually, a separate policy is issued for each insured amount. Reinsurance is the transfer of an insurance contract from one policyholder to another. In these relations, the first policyholder, taking risks for insurance, transfers part of the responsibility for them to another policyholder reinsurer) on appropriate conditions. Insurance relationships include:

- insurance payments; payment of insurance compensation; reinsurance; placement of temporarily free funds on the financial market; receiving income from placing funds in the financial market. Insurance payments are the transfer of funds by the policyholder to the insured.

They can be carried out at a time or in stages. Insurance payments are made on the basis of insurance rates - the amount of payment per unit of the insured amount.

The insurance rate gross) consists of two parts - net and load. Net reflects the part of the tariff that is intended for the payment of insurance compensation. It depends on the total amount of insurance compensation determined on the basis of statistical calculations on the number of insured events and the average cost of compensation per event) and the number of policyholders covered by this type of insurance.

The load reflects the costs of the insured associated with the insurance and its profits. The insurance rate reflects the price of the insurance. This is the main factor of competition in the insurance market. The more policyholders are covered, the lower the costs of the policyholder, the lower the insurance rate and the more opportunities to attract new customers. Insurance indemnity is the payment by the policyholder to the insured or the recipient) of the full or partial amount of the loss. The amount of insurance compensation depends on two factors - the insured amount and the insurance loss. The insured amount is the amount for which the insured object was insured, or the amount of the policyholder's maximum liability under the contract in the event of an insured event.

The amount of the insured amount is determined, on the one hand, by the cost estimate of the insurance object, and on the other, by the capabilities and wishes of the policyholder. The ratio of the sum insured to the value of the insurance object characterizes the insurance coverage, which cannot exceed 100%.

The insurance loss is a cost estimate of the losses caused to the insured. Various systems have been established for determining the amount of insurance compensation. The main methods are full and proportional responsibility. In accordance with the full responsibility of the policyholder, the insurance indemnity is paid in the amount of the caused losses, but not more than the sum insured. In accordance with the proportional system, liability is distributed between the policyholder and the insured in a proportion that reflects the ratio between the sum insured and the value of the insurance object. For example, if the insured amount is half of the value of the insurance object, then the insured will be paid insurance compensation in the amount of 50% of the amount of the caused losses.

The relationship with the financial market characterizes the placement on it of temporarily free funds of insurance funds and the income received from this. The income received is divided into two parts. One forms the income of insurance companies and makes up a certain part of their profits. The second some of it goes directly to the formation of insurance funds. It provides cheaper insurance for policyholders through the use of their funds insurance payments) in the financial market.

This is an important component of the rational and efficient use of the country's financial resources as a whole. The insurance relationship between the subjects of insurance and cash flows are regulated by the relevant agreements between the policyholder and the insured, which are legally binding.

The document that certifies the fact of insurance is called an insurance policy certificate). It is issued by the insured after payment of the insurance premium one-time or the first). The insurance policy specifies the object and type of insurance, the terms of the contract and insured events.

Distinguish between the terms "insured event" and "insured event". An insured event is a possible event, the occurrence of which may result in losses. It characterizes a certain risk from which insurance is carried out. An insured event is an event that has actually occurred. It must be officially registered. That is, an insured event is a possible event, and an insured event is one that took place.

**15.4. Forms of insurance funds**

In business practice, insurance is manifested through the formation of special target resources intended for compensation for losses - insurance funds. The creation of insurance funds, in turn, can be carried out in three forms: § self-insurance funds; § centralized insurance coverage; § collective insurance funds. Self-insurance is based on individual responsibility and consists in the fact that each legal entity and individual forms their own insurance reserve) funds from their own income. This is an expensive and irrational form.

For these reasons, the sphere of self-insurance is limited to minimal needs and is expressed primarily in the creation of financial reserves by economic entities and is determined by the reservation of funds by individuals. This form is more common in the banking sector, where the highest degree of risk and a fairly high level of responsibility is established. Centralized insurance coverage is based on state responsibility and provides for compensation for losses at the expense of national funds. At the same time, part of these funds are allocated to separate funds, for example, the reserve fund of the Cabinet of Ministers.

It is formed in the amount of up to 1% of the volume of expenditures of the general fund of the State budget and is included in the expenditures of the state budget of Ukraine. The procedure for using funds from the budget reserve fund is determined by the Cabinet of Ministers of Ukraine. The main areas of spending the reserve fund are: § financing of expenses related to emergencies; § financing of works on elimination of consequences of natural phenomena and accidents; § unexpected costs associated with the introduction of new laws; § other measures that could not have been foreseen at the time of the approval of the state budget.

At the same time, the established requirement, according to which the funds of the reserve fund of the State Budget of Ukraine cannot be used to pay off government debts and to increase the amounts of expenditure items provided for in the state budget. So, the insurance liability of the state is limited to extraordinary events, and the insurance coverage of the current activities of legal entities and individuals is their prerogative and cannot be fully transferred to the state. Self-insurance and centralized insurance coverage can be carried out in kind and in cash. The financial system includes monetary insurance relations.

The creation of collective insurance funds is based on the joint and several liability of the participants in these funds. The essence of insurance relations is that the formation of insurance funds is carried out at the expense of contributions from all participants, and compensation for losses from these funds is carried out for those who have experienced them as a result of certain events and circumstances. Collective insurance is the most appropriate, economical, efficient and rational form of creating insurance funds.

Compared to self-insurance, it is much cheaper, since it is based on joint and several liability. These costs of legal entities and individuals characterize their payment for reducing the risk of financial losses. Rational organization of the insurance business means its reliability and rationality: on the one hand, the presence of a centralized means provides high guarantees for compensation for losses, on the other hand, it makes it possible to effectively use temporarily free funds in the financial market.

**15.5. Organization of insurance**

The organization of the insurance business is based on the division into subjects of insurance, objects of insurance and forms of insurance relations. The main subjects of insurance are the policyholder, the insurer and the insured. The policyholder is a legal entity - an insurance company that acts on the basis of a corresponding license, taking on the obligation to create a collective insurance fund and pay insurance compensation from it to the policyholder or a third party in whose favor the concluded contract, in the event of an insured event.

According to the method of financial activity, the policyholder is a normal business entity that operates on a commercial basis. In accordance with the subject of activity financial resources), the policyholder is a financial institution. The insurer is a legal entity or individual who, on the basis of an appropriate agreement with the insured, pays insurance premiums to the insurance fund and is entitled to compensation for losses in the event of an insured event. Insured - a legal or natural person who owns the insurance indemnity in the event of an insured event. In personal insurance contracts - a person in whose favor an insurance contract has been concluded and who has the right to receive compensation in the event of an insured event or a redemption amount for early termination of the contract. An insured person can be an insurer at the same time, if he has entered into a contract for himself and paid an insurance premium. In addition, an entity such as the recipient of insurance compensation may be singled out in cases where the insured cannot receive it.

The objects of insurance can be property, life and health of citizens, ability to work and employment, lost profits in the implementation of financial and business transactions, etc. Insurance can be carried out in compulsory and voluntary forms. Compulsory insurance is due to risks associated with life, loss of ability to work or with the occurrence of such losses that cannot be reimbursed by one person. The legislation establishes a list of objects that are subject to compulsory insurance, and the mechanism according to which its implementation is ensured. The responsibility for the implementation of compulsory insurance lies with the state insurance authorities.

Compulsory insurance covers all objects without statements of policyholders, since the registration of the object itself is the basis for it to be covered by insurance. Voluntary insurance is carried out on the basis of an agreement between the policyholder and the insurer. The following are the objects of insurance relations, depending on the types of insurance. The object of property insurance is the property of legal entities and individuals. Nowadays in Ukraine the most common insurance among individuals is insurance of buildings, household property, vehicles. Property insurance is gradually expanding in the field of private business. The objects of personal insurance are the life and health of citizens. The types of personal insurance are mixed life insurance the objects are life and health at the same time), child insurance, wedding insurance, etc. Personal insurance performs a risky and accumulative function.

Risky provides for compensation for losses in the event of an insured event. The accumulative function is that after the expiration of the insurance contract, the insured is paid the sum insured. In the case of liability insurance by the object, there is an obligation of the insured person to pay compensation for damages caused by a third party.

The most common type is civil liability insurance for motor vehicle drivers. In addition, the object of insurance may be professional liability for individuals of certain professions who, by their actions or improper performance of their duties, can cause losses to their clients. The object of insurance of financial risks is the lost profit or loss in the process of carrying out certain economic and financial transactions, which are characterized by tangible risk. These are risks from credit and pledge operations, exchange agreements, deposits of legal entities and individuals, losses from fluctuations in exchange rates, etc. This area of insurance is especially important in a market economy, which is associated with many business risks. In the social insurance system, the object of insurance is the ability to work and employment.

Disability insurance is provided in case of its permanent or temporary loss. Employment insurance is provided against unemployment. Thus, social insurance is a part of monetary relations for the distribution and redistribution of gross domestic product in order to form and use funds intended for the maintenance of persons who do not take part in social work. Subjects rel. The state, enterprises and organizations of various forms of ownership, and the population are acting in this regard. In the economic and journalistic literature, when characterizing the sphere of social protection of the population, they use such concepts as "social security" and "social insurance", often identifying them, or on the contrary, considering them ambiguous. Meanwhile, each of them carries a special meaning. Social security is a state-established system of material support for citizens in the headman, in case of complete or partial disability, loss of a breadwinner, as well as assistance to large and low-income families.

Social security is provided in the forms of "social insurance" and "care". A characteristic feature of social insurance is the financing of social benefits through contributions. The care form represents funding from the budget and is tailored to individual needs. Thus, P ° D social security should be understood as the process of social protection of the population, and social insurance is one of the forms of this process.

The form of social insurance is dominant in countries with a market economy. Moreover, in some countries the insurance method is accumulative in nature, while in others it is solidarity. Social insurance is compulsory and voluntary. Without fail, it is carried out through state-owned trust funds: pension, social insurance, unemployment insurance in case of temporary disability. Insurance payments are made in the form of contributions, insurance compensation is carried out through the payment of pensions - in the event of complete or partial disability, and assistance - in the event of temporary disability and in connection with unemployment. The social insurance system can be of two types: state and non-state the formation of non-state and departmental pension funds). State social insurance is compulsory. It aims to ensure the social interests of the entire population of the country and individual groups of citizens whose professional activities are associated with hazardous working conditions.

The features of the solidarity system of state social insurance are the personified nature of contributions pensions); contributions to the special fund are made mostly by employers and to a lesser extent by hired workers.

The pensions of today's pensioners are paid by the economically active population. This concept of retirement benefits is supported by many. But the idea is expressed that it needs to be improved by establishing a large dependence of the size of the pension on earnings and length of service. At the same time, the reform of pension provision is carried out by improving the system of pension provision, both state mandatory and non-state voluntary. The effectiveness of additional pension provision has been proven by the experience of developed countries, where the pension provision policy is pursued in two directions: guaranteed provision of a minimum labor pension and support for low-income strata of the population; expanding the possibilities of citizens in self-sufficiency in their old age through additional accumulative insurance. Part of the supplementary pension in pension income is 15-16% in Italy, 35-40% - in France, 75% - in the USA. The number of pensioners who receive non-state pensions is 70% of all pensioners in Western Europe.

The problem of health insurance is no less urgent. Referring to the experience of foreign countries and Russia, it is proposed to introduce health insurance in Ukraine. Voluntary types of medical insurance have already appeared on the insurance market, but this does not mean that a real way has been found regarding the improvement of medical services for the population. In health insurance, the object of insurance is the health of citizens. It is carried out in case of illness and can be carried out both in a mandatory and additionally in a voluntary form through state or non-state structures. Policyholders can be: the state from the budget), enterprises, organizations and institutions and citizens from their own income). The insurance indemnity is provided in the form of payment for the treatment.

**15.6. Insurance market**

The concept of the insurance market is interpreted in the economic literature in two aspects. First, the insurance market is a special sphere of monetary relations, where the object of purchase and sale is a specific service - insurance protection, and where its supply and demand for it are formed. Secondly, the insurance market is a complex integrated system of insurance and reinsurance organizations policyholders) that carry out insurance activities. By combining these two approaches, you can define the insurance market as a set of insurance companies and the services they provide. The functioning of the insurance market is based on the following principles: § demonopolization of the insurance business; § competition of insurance organizations in the provision of insurance services, attracting policyholders and mobilizing funds in insurance funds; § freedom of choice for the policyholders of the conditions for the provision of insurance services, forms and objects of insurance coverage; § reliability and guarantees of insurance coverage. The subjects of the insurance market are the insured insurance companies) that provide insurance services, the insured individuals and legal entities and the state). Insurance agents and insurance brokers brokerage firms) act as intermediaries in the conduct of insurance. Insurance agents are generally individuals who draw up insurance agreements with policyholders on behalf of the policyholders. In some cases, insurance agents may be legal entities.

These are transport companies that carry out compulsory personal insurance against accidents in transport, notary offices, banks, which can arrange insurance contracts next to their core business services. The relationship of insurance agents - legal entities with policyholders is governed by the relevant agreements. With the development of the insurance business, such a form of mediation as general insurance agents is becoming widespread.

General agents are individuals authorized by one or more policyholders in one or another administrative-territorial region. They have the right to hire insurance agents who are allocated a service area and the types of insurance they can carry out. The relationship between the general insurance agent and the insurance company is based on a contract. The general insurance agent has his own bank account, to which the insurance company transfers funds for the organization of insurance activities. Insurance brokers, also performing the functions of concluding agreements, act on behalf of the policyholder, selecting the most favorable conditions and reliable insurance companies for him.

They can provide consulting services and policyholders. An insurance broker is rewarded for his work in the form of commission payments. In the insurance market, there are insurance companies of various organizational and legal forms: state insurance company;

§ joint stock insurance companies; mutual insurance societies; insurance pool.

Among the new economic and organizational forms of insurance, which, unfortunately, have not yet acquired sufficient development in Ukraine, we can single out the following:

§ concern - an association of enterprises, including an insurance company, that carry out joint activities;

§ business associations - contractual associations of enterprises and an insurance company formed for the joint implementation of one or several functions;

§ consortium - temporary contractual associations of industrial enterprises and insurance companies to solve specific problems, implement large targeted programs and projects.

An obligatory component of the insurance market is specialized consulting firms companies) and insurance experts. The state, as a participant in the insurance market, creates a legal basis for insurance activities and monitors compliance with the current legislation. The laws and adopted regulations formulate the requirements for policyholders, the procedure for their creation and registration, requirements for contracts, insurance rules, obligations of policyholders and insured persons in each specific situation.

***Tests on topic 15.***

**1. Special goods in the stock market are:**

a) a security;

b) fixed assets;

c) working capital;

d) a monetary symbol.

**2. The functions of a stock exchange, from the establishment of trading rules, to the management of trade processes, to the development of dispute resolution procedures, etc.:**

a) organizational;

b) control;

c) incentives;

d) regulation.

**3. The part of the financial market in which operations on provision and purchase of short-term and medium-term loans are carried out is:**

a) credit

b) money

c) funds

d) banking

**4. The special goods of the stock market which are both property and the credit obligation are:**

a) a security

b) banknotes

c) working capital

d) fixed assets

**5. The part of the financial market in which the issue, purchase and sale of securities is carried out, is called the \_\_\_\_\_\_\_\_\_ market.**

a) funds

b) credit

c) leasing

d) the tax

**6. A security payment document drawn up in the case of commercial loans is:**

a) check

b) a certificate

c) letter of credit

d) bill of lading

**7. Preference share is a share that:**

a) the holder does not have the right to vote, but he / she is given a certain share.

b) a security belonging to an individual.

c) gives its owner the right to manage profits

d) has privileges at the time of listing

**8. The nominal value of a share is:**

а) is the price quoted in the share

b) purchase and sale price of shares

c) the amount of the annual premium received by shareholders

d) income received by a shareholder

**9. Listing-in:**

a) list of stock exchange members

b) determination of the price of securities

c) the rules for allowing securities to be traded on a stock exchange

d) lease of fixed assets

**10. Check-in:**

a) a loan obligation to repay a certain amount of money borrowed

b) order of a bank deposit holder

c) equity security

d) bank loan obligation

**11. Types of shares by income:**

а) simple, privileged.

b) presentation, nominal.

c) presentation, simple.

d) privileged, nominal.

**12. What kind of dividends are paid in the first place?**

а) ordinary share.

b) preference shares.

c) nominal share.

d) presentation shares.

**13. Holders of ordinary shares have the right to:**

a) participate in the general meeting of shareholders.

b) participate in the activities of a joint stock company.

c) to vote on the issues raised.

d) All the answers are correct.

**14. The register is:**

a) registration of ownership of securities

b) list of income sources

c) list of contracts

d) list of holders of securities

**15. What rights does a shareholder give to its owner?**

a) the right to receive benefits

b) the right to participate in the securities market

c) the right to manage a joint stock company

d) the right to receive profits and to manage a joint stock company

***Solving problems on topic 15:***

**The problem 1**

The investor has 60 thousand somoni. After 3 years, he intends to earn 72,000 somoni. Find the smallest interest rate when using a compound interest rate.

**Solution:**

Using the formula, determine the value of the interest rate:

 = – 1 = – 1 = ,064 – 1 =

= 0,064 ё 6,4% annual.

**The problem 2.**

After some time, the amount of the deposit in the bank is equal to 15,000 somoni, while calculating the use of compound interest at the rate of 12% per annum reaches 20,000.

**Solution:** Using the formula, we determine the value of n:

 *= = =*  = = 2,5 year

**The problem 3**

The authorized fund of the joint-stock company is 5 mln. Somoni, of which 3,000 are preference shares with a 5% interest rate and the rest are ordinary shares. The amount of profit earned by the company during the year is equal to 35900 somoni. Determine the size of the share for each share.

**CHAPTER 16. FINANCIAL CONTROL.**

**16.1. The essence and significance of financial control**

**16.2 Classification of Financial Control**

**16.3 Audit control 16.4 Methods of financial control**

**16.1. The essence and significance of financial control**

Financial control is a specific activity aimed at checking the validity of the cost distribution of the gross social product in the corresponding funds of funds and their spending for specific purposes. The term "control" is derived from the Latin expression "contra rutulus", which means "opposition" intended, intended process, phenomenon and what is happening or accomplished, factual).

The presence of financial control is objectively due to the fact that finance, as an economic category, has a control function. Through this function, finance warns about the emerging proportions of distribution, the ratio of funds, the sources of their formation, use / The control function of finance creates the possibility of influencing society and, above all, the state on the processes of production, exchange, distribution and consumption of material goods. But this possibility turns into reality only in social relations with the participation of people, the presence of certain conditions:

- creation of special control bodies;

- staffing them with qualified specialists;

- regulation of the rights of these bodies.

The control function creates objective conditions for the use of finance as an instrument of control, and conscious application is carried out in the course of the functioning of finance in social production. If finance expresses relations of an economic basis, that is, a part of industrial relations, then financial control as one of the elements of financial management along with planning, accounting and analysis) is a superstructure category.

The specificity of financial control is that it is carried out in monetary form. Its direct object is the formation of income and savings, the creation and use of funds. However, the effect of financial control extends to a wider range of monetary relations, since finance is closely related to other value categories: wages, production costs, income, profits, production assets fixed, circulating), capital investments, investments. And financial control over the correct use of budget allocations by institutions and organizations affects all aspects of their activities - the completeness of the deployment of the network and contingents, compliance with the established norms for spending.

The scope of financial control can often coincide with other types of control: administrative, legal, social, technical, political. Since the financial side of the activities of economic agencies is closely related to the economic, it is difficult and sometimes impossible to separate financial control from economic control, since most financial transactions reflect other processes of economic activity. State financial control is carried out with the obligatory observance of the principles of independence, objectivity, reliability, transparency, competence, publicity, taking into account the provision of a secrecy regime. The pretense of independence is the prevention of any interference that undermines the independence of the state financial control bodies, the audit commissions of the Khukumat, the internal control services, their employees and members, the independence of the control measures carried out by them in the exercise of control functions. The principle of objectivity of control is to conduct control strictly in accordance with the legislation of the Republic of Tajikistan, standards of state financial control, avoidance of conflicts of interest, make decisions based on the results of control only on the basis of identified and documented facts. The principle of reliability of control results is confirmation of control results by accounting, banking and other documents of the object of state financial control. The principle of transparency of control is the clarity of the presentation of the results of control, accountability of the state financial control bodies, audit commissions of the Khukumat, the President of the Republic of Tajikistan, the Parliament of the Republic of T, the Government of the Republic of Tajikistan.

The principle of competence is a set of professional knowledge and skills of employees of state financial control bodies, internal control services, members of audit commissions necessary for the implementation of quality control. The principle of publicity is the publication of the results of control, taking into account the provision of secrecy, official, commercial or other secrets protected by law. The main tasks of financial control include:

Checking the fulfillment of financial obligations to the state, organizations and the population. Checking the correctness of the use by business entities of the monetary resources at their disposal budget and own funds, bank loans, extra-budgetary funds).

Verification of compliance with the rules for financial transactions, settlements and storage of funds by business entities. Identification of internal reserves for production - opportunities to increase the profitability of the economy, increase labor productivity, accelerate the turnover of working capital, more economical and efficient use of material and financial resources. Elimination and prevention of violations of financial discipline. If they are identified, measures of influence are applied in the prescribed manner to organizations, officials and citizens, compensation for damage to the state and organizations is provided. Financial discipline is strict adherence to the established regulations and the procedure for the formation, distribution and use of the state's monetary funds and its economic entities.

**16.2. Financial control classification**

The classification of financial control is based on differences in subjects, time of control actions, methods methods) of control. Based on these features, financial control is divided into three areas: types, forms, methods of its implementation. State financial control external and internal) - verification of compliance with the legislation of the Republic of Kazakhstan of the activities of objects of state financial control in terms of execution, accounting and reporting on the execution of the republican and local budgets, assessment of their execution, use of grants, state assets, state-guaranteed loans, money from sale by state institutions of goods works, services) that remain at their disposal. National financial control is carried out by state power and management bodies: the Office of the President, the Parliament of the Republic of Kazakhstan, the Government, local representative bodies meetings of deputies), local administration bodies. This type of control is carried out by the Accounts Committee over the execution of the republican budget.

External control - state financial control, carried out by the Accounts Committee for Control over the Execution of the Republican Budget and the Auditing Commissions of Maslikhats. External control is carried out: at the republican level - by the Accounts Committee for Control over the Execution of the Republican Budget; at the local level - by the audit commissions of local Hukumats. Internal control - state financial control carried out by the central authorized body for internal control and internal control services. Internal control is carried out by the central authorized body for internal control and internal control services. Objects of state financial control - the Government of the Republic of Tajikistan, local executive bodies, state bodies responsible for the collection and control of budget revenues, state institutions financed from the republican and local budgets, their subordinate organizations, recipients of budget funds, individuals and legal entities using grants, government assets, government-guaranteed loans.

Departmental financial control is exercised within the powers of a separate ministry, department over the activities of enterprises, organizations, institutions included in their system subordinate, supervised, subordinate). Departmental financial control is exercised by the ministries and departments of the republic in relation to their subordinate enterprises, organizations and institutions. Departmental financial control is carried out in three forms: preliminary, current and subsequent control. The main control methods are consideration of draft financial plans, audits and checks.

The objects of control are:

- decentralized funds of funds.

The main tasks of departmental control: control over the implementation of planned targets, the economical use of material and financial resources, the safety of property, the correctness of accounting, the state of control and audit work, the suppression of the facts of mismanagement, waste and all kinds of excesses. Within the framework of departmental control, on-farm control is carried out, that is, control carried out on specific economic entities firms, companies, organizations, institutions). Control functions in this case are associated with the process of day-to-day financial and economic activities as its necessary condition.

This type of control helps to increase the responsibility of primary production units for the effective use of production assets, financial resources, is aimed at reducing losses, various violations of financial discipline. Depending on the time of the financial control, it can be preliminary, current and subsequent. Such forms of control are inherent in the activities of most regulatory bodies. Preliminary financial control is carried out before the commission of operations on the formation, distribution and use of funds, and therefore it is important to prevent violations of financial discipline. In this case, the documents subject to approval and execution are checked, which serve as the basis for the implementation of financial activities - draft budgets, financial plans and estimates, loan and cash applications, etc. Current financial control is control in the process of making monetary transactions in the course of fulfilling financial obligations to the state, receiving and using funds for administrative expenses, investment, etc.). Subsequent financial control - control carried out after the completion of financial transactions after the execution of the revenue expenditure side of the budget, the use of funds by economic agencies, etc.). In this case, the state of financial discipline is determined, its violations are revealed, ways of prevention and measures to eliminate them.

**16.3. Audit control**

Audit control - checking the state of financial and economic activities on the basis of an agreement contract) concluded by an independent auditing firm and the owner owner) of an enterprise, company, bank, insurance company. The economic nature of audit lies in the separation of property rights and the right to dispose of it under the action of various organizational and legal forms of enterprises, companies, firms. Therefore, there is a need for constant monitoring of property by independent firms that provide objective information about its condition. This need is especially urgent in the functioning of equity capital, in the banking sector, trust funds and other forms of value movement in a market environment, where the likelihood of risks during transactions is high: liquidity, credit, foreign exchange and others. Auditors and audit firms are guided in carrying out their activities by the requirements of legislative and other regulations; when conducting an audit and drawing up an opinion, they are independent of the audited business entity, as well as any third party.

The audit is carried out in the following sequential stages: planning with internal systematization of the actions of the parties); obtaining information about the object of audit and its assessment; development of an approach to the audit procedure and preparation of the program; verification and testing of control systems; conducting audit procedures; formation of an auditor's report. At the stage of direct audit procedures, key procedures are identified that provide direct evidence of the completeness, correctness and reliability of accounting data, as well as the objectivity of estimates and information contained in the statements. The result of the audit activity is an opinion - an official document that has legal significance, certified by an auditor, containing complete information on the compliance of accounting reports, balance sheets and other documents of an economic entity with the requirements for accounting and reporting. The conclusion on the financial position of the inspected object is published in the manner prescribed by law as a report on its activities together with an official balance sheet and a report on financial and economic activities. The responsibility for the accuracy of the information and documentation provided to the auditor lies with the management of the business entity.

Auditing firms can simultaneously perform consulting functions. Consulting services of audit firms are aimed at identifying the reserves of economic entities, providing assistance in commercial and financial and economic activities, setting up accounting, financial planning, finding ways to work effectively. Audit firms usually receive special permission from government agencies or other bodies that oversee the activities of joint stock companies, companies banks, insurance companies).

Auditors and audit firms can conduct paid audits on behalf of government agencies. Auditing activity does not cancel the control over the activities of economic entities carried out in accordance with the legislation on the part of specially authorized state bodies. Users of the results of audits are persons interested in the results of the activities of an economic entity: state tax and other authorized bodies, owners of an economic entity, creditors, investors and others who, in accordance with the current legislation, have the right to receive such information. Internal audit is also highlighted - an integral part of the internal control system of an enterprise, company, firm.

The object of internal audit can be financial, production, procurement and other types of activities. Does this include an audit of the availability and correctness of all accounting documents? checking the administrative procedure for the implementation of directives and orders, organizing an inventory of goods and materials, control of commodity and business operations, etc. Internal audit is carried out both at the headquarters and at subsidiaries and branches. The named general methods are concretized in the methods, rules for the control of various objects. Based on the results of state financial control, the following acts are adopted: conclusion - a document of the Accounts Committee for Control over the Execution of the Republican Budget and the Audit Commission of the Hukumat, drawn up on the basis of control acts; Resolution of the Accounts Committee for Control over Execution of the Republican Budget - a document adopted at a meeting of the Accounts Committee for Control over Execution of the Republican Budget. The resolution of the Accounts Committee for Control over the Execution of the Republican Budget is mandatory for execution by all state bodies, organizations and officials to whom it is addressed. Resolution of the Audit Commission - a document binding on all executive bodies financed byfrom the relevant local budget, and by organizations using funds from the relevant local budgets or providing financial services at all stages of disbursing funds from local budgets; submission - a document of the Accounts Committee for Control over the Execution of the Republican Budget, sent to state bodies, organizations and officials to eliminate shortcomings in work, as well as to law enforcement agencies on issues of prosecution provided for by the laws of the Republic of Tajikistan; prescription - a document on the elimination of violations and shortcomings in the work, adopted by the head of the central authorized body for internal control within his competence and sent for mandatory execution to officials of state bodies and other organizations; control act - a document drawn up by state financial control bodies, audit commissions, internal control services based on control results; control report - a document on the results of the control work carried out for a certain period of time.

The main method of financial control is an audit revision - lat.) - the most complete survey of the financial and economic activities of enterprises, organizations, institutions over the past certain period. The audits are carried out by different bodies.

They can be carried out both according to the plan of these authorities, and on the instructions of other competent authorities - higher, investigative authorities. According to the object of the check, there are documentary revisions, actual full continuous), selective partial) revisions. On an organizational basis, they can be planned and unscheduled appointed in connection with the receipt of signals, complaints and applications from citizens requiring urgent verification), complex. When conducting a documentary audit, documents are checked, in particular primary monetary documents accounts, payrolls, orders, checks, securities), and not just reports, estimates, etc. An actual audit means not only checking documents, but also the availability of money and material values.

A full audit is understood as checking all the activities of an enterprise, organization, institution for a certain period. In a selective audit, control is directed to any separate aspects of financial and economic activities for example, checking travel expenses, various target costs and expenses). Thematic audits are carried out in several of the same type of enterprises, institutions or in several ministries and departments on certain issues of financial and economic activities. They make it possible to simultaneously check the condition of a certain area on a number of economic entities and obtain extensive material on this issue, analyze it, draw conclusions, and develop proposals for improving the work. Reception methods: inventory of material assets, checking the availability of funds in the cash register, comparing planned, normative and reporting indicators of the activity of the inspected object, documentary and counter checks.

These techniques are applied depending on the set audit goal. To carry out audits, a program is drawn up, which indicates the object and purpose of the audit, the topic and the main issues to be checked. The results of the audit are documented in an act signed by the head of the audit group, the head of the audited organization and its chief accountant. The head and chief accountant of the audited organization must attach their comments and objections in writing to the audit act by signing it. On the basis of audit reports, measures are taken to eliminate detected violations of financial discipline, to compensate for material damage caused, the perpetrators are brought to justice, proposals are developed to prevent violations of state discipline.

The head of the organization, who appointed the audit, is obliged to ensure control over the implementation of decisions made based on the results of the audit. Inspections and surveys are carried out by control bodies on certain issues of the financial and economic activities of enterprises, organizations, institutions, or on one issue topic) by familiarizing themselves on the spot with individual parties’ areas) of financial activities. Therefore, checks are mostly thematic. At the same time, some inspections, by their nature, can be in the form of surprise inspections. The purpose of inspections and surveys is to clarify the state of a separate area of economic and financial activities of the economic agency.

Cameral check - carried out without going to the place and precedes the documentary check of the economic agency. Counter-verification is a method for determining the reliability of financial and business transactions at the inspected facility by checking the actual reflection of these transactions with the partners or customers of the inspected economic entity. Account checking of statements, that is, control of the accuracy of accounting accounts and balances, is carried out in three stages. At the first stage, the consistency of the indicatorher various forms of reporting; on the second - a comparison of individual reporting indicators with entries in accounting registers is carried out; at the third stage, the validity of accounting records is determined according to the data of primary documents. This sequence makes counting checks a very effective means of control over the organization of accounting and reporting and helps to identify and prevent violations of financial discipline. Forms of financial control are understood as ways of concrete expression of the organization of control actions. Depending on the time of the control, there are three main forms of financial control.

- preliminary, current and

Preliminary financial control is carried out before the implementation of any financial measure. Preliminary control is carried out by higher economic management bodies and institutions of the financial and credit system when considering financial credit, cash) plans, estimates and other regulatory calculations, opening loans and transferring budget funds. Current operational) control is carried out directly in the process of operations for spending and receipt of funds. Based on the data of operational and accounting records, inventories and visual observation, current control helps to prevent the commission of financial offenses, as well as to regulate financial risks. Subsequent financial control is carried out after the completion of monetary transactions in order to further check their legality and validity.

This form of control is carried out by analyzing reports and balances, as well as by the method of checks and audits directly on the spot, at enterprises, institutions and organizations. Financial control methods are understood as techniques and methods of its implementation.

Among the main methods of financial control are distinguished:

1. Supervision assumes general familiarization with the state of the financial activity of the object of control);

2. Inspection concerns the main issues of financial activities and is carried out on the spot using balance sheet, reporting and expense documents to identify violations of financial discipline and eliminate their consequences); survey carried out in relation to individual parties of financial activity and relies on a wider range of indicators, which distinguishes it from verification), analysis carried out on the basis of current or annual reporting and is aimed at identifying violations of financial discipline);

3. The main method of financial control is audit carried out in order to establish the legality of financial discipline at a specific facility. They highlight the mandatory and regular nature of the audit. This control method is implemented on the spot by checking primary documents, accounting registers, accounting and statistical reporting, the actual availability of funds).

**Questions to reinforce topic 16.**

1. Explain the views of scholars on the theory of finance?

2. Explain the neoclassical theory of E. Heckscher, B. Omen, P. Samuelson?

3. Whose work is the dissertation "Housing measure"? What does it have to do with finances?

4. What did the famous Russian scientist V. Leontev, winner of the Nobel Prize in Economics, say?

5. Michael Porter's views on economics.

6. The point of view of domestic scholars on finance.

7. The role of finance in the national economy.

8. What is the term finance?

9. Explain the term budget.

10. Give information about the origin of banknotes.

***Tests on topic 16.***

@ 1.

Which classical scholars have played an important role in the history of the development of the theory of finance, ie bourgeois science:

$ A) A. Smith, D. Recardo; $ B) D.S. Mill; $ C) II Yanjul; $ D) VA Lebedev; $ E) LV Khodsky;

@ 2.

Which scholars have published books on finance in Russia in the 19th and 20th centuries:

$ A) N. Turgenev, VA Lebedov, II Yanzhul, LV Khodsky, SV Witte; $ B) VA Lebedev; $ C) II Yanjul; $ D) A.Smith; $ E) D. Recardo;

@ 3.

The term finance is derived from the word ……… and means monetary payments;

$ A) French; $ B) German; $ C) Russian; $ D) Italian; $ E) American;

@ 4.

Finance has been around for centuries?

$ A) X; $ B) X-XI; $ C) XII-XV; $ D) ХV-ХХ; $ E) XX;

@ 5.

What is meant by decentralized finance?

$ A) the state budget; $ B) FMD; $ C) the budget of the enterprise; $ D) public debt; $ E) public debt and the state budget;

@ 6.

In what society did finance emerge as a historical category?

$ A) maternal and paternal period: $ B) feudal; $ C) socialist; $ D) slavery; $ E) capitalist;

@ 7.

Classical politics is taken from the works of which economists?

$ A) J.M. Keynes; $ B) Н. Tusi; $ C) А. Simit and D. Ricardo; $ D) A. Simit and John Keynes; $ E) Д. Ricardo and N. Tusi;

@ 8.

Which economist's regulatory policy is derived from:

$ A) John Keynes; $ B) Н. Tusi; $ C) А. Simit and D. Ricardo; $ D) A.Simit and J.M. Keynes; $ E) Д. Ricardo and N. Tusi;

@ 9.

Fiscal policy is divided into periods:

$ A) financial mechanism; (B) financial mechanisms and tactics; $ C) financial strategy and tactics; $ D) strategy and financial mechanism; $ E) the answers are all correct;

@ 10.

How many links does the financial system of a developed country have?

$ A) 3; $ B) 2; $ C) 7; $ D) 6; $ E) 5;

@ 11.

What are the levels of the state budget of the Republic of Tajikistan?

$ A) 4; $ B) 2; $ C) 3; $ D) 1; $ E) 2 and 3;

Solving examples and problems on topic 16.

Issue 1.

The following information is available on BT resources:

Authorized capital - 20 455 000 somoni;

Requested deposits - 95 144 000 somoni;

Reserve capital - 15843 000 somoni;

Special purpose funds - 135 000 somoni;

Time deposits - 8630 000 somoni;

Increase in the value of property upon revaluation - 42,000 somoni;

Unused profit of previous years - 344 000 soms.

Subordinated loans - 322,000 somoni.

Determine the share of own and borrowed funds in the cash resources of the World Bank.

 **Solution:** Solve the problem in a tabular manner.

Table

|  |  |  |  |
| --- | --- | --- | --- |
| № | Own funds | № | Funds raised |
| Name | amount, somoni | name | amount, somoni |
| 1 | Authorized capital | 20 455 000 | 1 | Requested deposits | 95 144 000 |
| 2 | Reserve capital | 15 843 000 | 2 | Time deposits | 8 630 000 |
| 3 | Special purpose funds | 135 000 | 4 | Subordinated loans | 322 000 |
| 4 | Unused profits of previous years | 344 000 |
| 5 | Increase in the value of the property at the time of revaluation | 42 000 |
| Total | Total | Њамагї | 103452000 |

Accumulation of monetary resources of BT to 140 271 000 equal to somoni.

Share of own funds = ·100% = 26,2%

Share of attracted funds = ·100% = 73,8%

**Questions for self-examination**

1. Define the category "personal finance". How is it different

from "household finance"?

2. What do you think is the difference between the terms “personal” and “personal” finance?

3. What functions do the finances of the population perform in the system of economic relations? Give a detailed answer.

4. What is the difference between "personality", "individual" and "person" in financial science? Justify your answer with an example.

5. What are the features of the income of the population according to the structure of sources and other

signs? Give a detailed answer.

6. What are the features of household spending by areas of use

and other signs? Give a detailed answer.

7. What is the importance of personal finance at the micro level? Give a detailed answer.

8. What is the importance of personal finance at the macro level? Give a detailed answer.

9. List and expand the preliminary (secure) functions of personal finance.

10. List and expand the ultimate functions of personal finance.

11. Define the process of personal financial planning and reveal its significance for people, business entities and the state.

12. List and give a brief description of the stages of personal financial

planning.

13. Expand the directions of personal financial planning.

14. What determines the ranking of the goals of personal financial planning? Give a detailed answer.

15. Give examples of people's financial decisions. What is the reason for making such decisions?

16. List and give a detailed description of the principles of personal financial planning.

17. What are the directions and goals of state regulation of personal financial planning?

18. What are the instruments of state regulation of personal financial planning?

19. Give a detailed description of the model of the financial and social choice of society.

20. What macroeconomic variables are influenced by the process of personal financial planning, as well as consumption and savings as a part of it?

21. Give a detailed description of the hierarchy of personal needs by consumption levels. What is the reason for the hierarchy? Is it universal?

**TOPICS OF INDEPENDENT WORK FOR STUDENTS**

1. Directions and tasks of financial control of enterprises

2. Revenues of state target funds

3. The emergence of the concept of finance

4. Theoretical bases of the essence of finance.

5. Forms of credit and its classification

6. Perspectives of the main directions of monetary and exchange rate policy

7. Organization of banking supervision.

8. Inactive operations of the bank

9. Stock and non-stock markets

10. Interstate regulation of foreign exchange restrictions

11. Cooperation of Tajikistan with the Islamic Development Bank

12. European Investment Bank

13. Balance the budget and the main ways to ensure it

14. Budget deficit and its management.

15. The state budget, its essence and role in the socio-economic process.

16. Necessity and importance of financial control.

17. Sources of financial resources.

18. Forms of financing of large-scale reproduction.

19. The role of finance in large-scale reproduction.

20. Financial system.

21. Necessity and essence of public debt.

22. The role of enterprise finance in the formation of centralized monetary funds.

23. Necessity, essence and functions of insurance.

24. The concept and objectives of fiscal policy.

25. Forms of fiscal policy.

26. Financial mechanism in a market economy

27. The essence, goals and methods of state financial regulation and management.

28. Financial management in the Republic of Tajikistan

29. The concept and nature of finance

30. The main tasks of finance in modern conditions

31. Organization and use of financial resources

32. Features of the organization of financial relations

33. The role of finance in public reproduction

34. The concept of financial system

35. Levels of the financial system of the Republic of Tajikistan

36. The role and financial status of enterprises in the financial system

37. Organizational principles of the financial system

38. Organization of non-cash circulation through collection

39. The law of money circulation

40. The amount of money and ways to manage it

41. Monetary aggregates in the economy of the Republic of Tajikistan

42. Description of the links of the public financial system of the Republic of Tajikistan

43. The impact of public borrowing on the economy

44. Currency market and description of its links

45. The concept of monetary system

46. Types of monetary system

47. Monetary policy

48. Monetary system of bimetallism

49. Financial mechanism and its implementation in the economy.

50. National currency of the Republic of Tajikistan - somoni

51. Inflation and its causes

52. Types of inflation in modern conditions

53. Economic and social consequences of inflation

54. Procedure for measuring inflation

55. Ways to regulate inflation

56. Government policy to mitigate the effects of inflation

57. Public debt and ways to manage it

58. The importance of the budget as the main financial plan of the state

59. Budget system and its levels

60. The main stages of the budget process

61. State budget revenues and expenditures

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65. Structure and state budget system of the Republic of Tajikistan

66. Finance of social protection of the population

67. Finance of extra-budgetary funds, the nature and nature of their organization

68. Types of bank accounts

69. The concept of banking system

70. Levels of the banking system of the Republic of Tajikistan

71. The National Bank of Tajikistan as an important hierarchy of the banking system

72. Tasks and operations of the National Bank of Tajikistan

73. Banking legislation of the Republic of Tajikistan

74. The concept and essence of the bank

75. Operations of commercial banks

76. Functions of commercial banks

77. Basics of establishing commercial banks

78. Active operations of commercial banks

79. Passive operations of a commercial bank

80. The concept and essence of financial management

81. Object and subject of financial management

82. The role and status of planning in financial management

83. The main types of financial control

84. Organization of state financial control

85. State Social Insurance Fund.

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