



EFFECTIVENESS CRITERIA FOR RECYCLING CAPITAL PRODUCTION FUND

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The article theoretically studies the efficiency criteria of basic production funds in achieving the economic efficiency of the main production funds in increasing the gross product produced by the production enterprises with the least time costs and increasing the profit received by the enterprises as the main source of their reproduction. . It is also reflected in the improvement of production efficiency at the macro and microeconomic level, in intensive reproduction, in the reproduction of the main production funds, and in the increase of the economic efficiency of production. The economic efficiency of the use of the main production funds is aimed at studying the theoretical foundations of the quantitative growth of production and increasing the importance of the research conducted in this regard.

Keywords: basic funds, reproduction, industrial enterprises, efficiency, capital funds, production efficiency criteria.

INDRODUCTION

The increase in diversity of forms of ownership in the global economy in ensuring economic development has a positive effect on the formation of a competitive environment. Also, the role and importance of the main production funds in enterprises based on different ownership will increase. It is related to the development of free competition between production entities that carry out their production activities on the basis of different forms of ownership and consumer requirements. The competitiveness of the manufactured product depends, first of all, on the organization of production and effective use of the main production funds. In the conditions of market relations, together with the means of production, the role of labor objects has also increased, and they are one of the most important indicators of the level of development of the means of production.

The main means of development are directly involved in the field of production as production funds, wear out during the production process, and gradually transfer their value to the newly created product. Depreciation of the main production funds in the economy occurs in two forms - physical and moral obsolescence. The physical wear and tear of fixed assets depends on the quality of the materials used to create the fixed assets, the skill level of employees, and the quality of their care.

Analysis and results

In the production sector, part of the value of fixed assets is transferred to newly created consumer values, and this part of the value of fixed assets is accumulated in the depreciation fund after the sale of the manufactured product. The value of the fixed capital is correspondingly reduced to the extent that it is transferred to the newly delivered product. It is noted that "fixed capital is a part of production capital (buildings, structures, machines, equipment and other means of labor) that fully participates in the production process and partially transfers its value to the newly created product" [2].

The English economist Dj. Hicks understood capital as "the sum of goods in the direction of production" [3].

Another economist P. Heine writes: "Capital is the manufactured means of production



or goods that can be used for the production of goods in the future" [4].

There is no consensus on capital in the economic literature. Most economists generally view capital as essentially a boon, the use of which ensures an increase in benefits. Capital does not even have to be in the form of money. Capital must bring a certain income to its owner.

I. Fisher and F. Knight, representatives of the neoclassical direction, also believed that capital should bring income. In particular, I. Fisher described capital as a reserve of wealth at the same time, separating it from its natural or value form.

Successfully differentiating the terms "stock of goods" and "flow of services" from each other, he concluded that the essence of capital is wealth and property that bring systemic income to its owner in the form of a flow of services [5].

The book "Fundamentals of Entrepreneurship" states that "fixed capital is a part of production capital that fully participates in the production process, but partially transfers its value to the manufactured product as it wears out" [6].

SDIlenkova calls the main means of production the main capital, which participates many times in the production process and gradually transfers its value to the finished product [7].

A more general approach to defining the concept of capital can be as follows: capital is a certain stock of wealth (blessings) in monetary or non-monetary form, which brings income to its owner, and thus the wealth, especially money provides self-reproduction in the form of

NLZaysev calls "a set of material means with the help of which the worker affects the objects of labor by changing their physical and chemical properties" as the main production funds [6].

According to IASafronov and other economists, "the main production funds are the expression of the value of the means of labor in which the method of gradually transferring the value to the product during a series of production cycles is manifested as the main feature that distinguishes them from others" [7].

AIlin and others "include the means of labor directly involved in the production process, as well as objects that create conditions for their use in production" [8].

Some economists consider the main production funds as follows: "monetary expenditures on resources that constitute constant factors of production. The amount of fixed costs will depend on the volume of production. They include the costs of operating buildings, structures and equipment, administrative and management costs, and rent. Fixed costs exist even when the firm does not produce any output" [9].

We do not agree with the definition that basic factors of production and fixed costs are exactly the same. In our opinion, the main productive funds represent in kind the sum of wealth in the form of material goods used as means of labor. Fixed costs represent the costs of production in a fixed period of time.

According to the above ideas, capital is the means of production that can be used for the production of material goods. It should be noted that in his time, physiocrat F. Keene considered land as capital, representatives of classical political economy considered accumulated benefits and labor, and D. Ricardo considered production and investment means as capital.

There is also an opinion among economists that capital is a source of interest. It should be noted here that the opinion of these economists is based on the fact that capital, as a private property, can bring interest to its owner. When talking about capital being considered as a source of interest, its nature as loan capital is not revealed.



Scholars also consider the concepts of basic production funds and capital to be exactly the same. In our view, capital has a broader meaning than fixed assets. The main production funds reflect only the tools used in the production sector, and the capital can be represented in the stock of material goods, and in the non-production fund, as well as in the circulating fund.

The economic efficiency of the use of the main production funds can also be expressed in the quantitative growth of production. However, it cannot fully reflect the economic efficiency of the use of the main production funds. It is also necessary to take into account the costs and resources here, because in order to determine the economic efficiency of the use of the main production funds, it is necessary to take into account how much the costs for the production of a product unit have decreased.

So, if the effective use of the main production funds is considered the main factor of ensuring the effective operation of the enterprise, it is necessary to have a methodical apparatus that allows to determine it.

From a methodological point of view, profit is the main criterion for determining the economic efficiency of the main production funds and production. This can be explained by the fact that there is no consensus among economists in the economic literature on the issue of determining the economic efficiency of the main production fund and production.

It is necessary to apply scientifically based criteria in determining the economic efficiency of using the main production funds. Economic efficiency is the economic efficiency obtained in the process of operation and development of the economy. At the macroeconomic level, it is expressed as the ratio of the results in the form of material goods and services to the costs of resources in the form of value in a specified period of time. At the microeconomic level, it is expressed as the ratio of benefits to costs.

The economic efficiency of the country's production consists of the sum of the efficiency of all enterprises operating in the economy and is determined by the ratio of the growth of the gross domestic product to the value of the spent resources according to the following formula [10]:

here, - growth;

E_f - economic efficiency of production;

GDP - gross domestic product growth;

P_c - spent resources.

The social efficiency of production is a complex and multifunctional system of relations, and the achievement of any form of organization of social production is associated with an increase in the level of people's satisfaction. Summarizing indicators of the social efficiency of production are the following:

- quality of life and level of society members;
- life expectancy of society members;
- level of well-being of society members;
- the classification of their wages and income.

The effective use of the main production funds and the socio-economic efficiency of production in the conditions of the market economy are becoming more and more dependent on the human factor. The higher the comprehensive development of a person, the higher the economic efficiency of the use of the main production funds and, accordingly, the economic efficiency of production.

The social efficiency of production is determined by the following indicators:



- the level of material well-being of employees, which can be expressed in gross income per employee or gross product production;
- social fair distribution of gross income among employees of production entities;
- the working conditions, living and safety level of employees in order to increase their intellectual and physical capacity for work;
- level of social protection of employees of enterprises;
- creation of production and social infrastructure necessary for normal work and living.

CONCLUSIONS AND SUGGESTIONS

In conclusion, in our opinion, determining the effectiveness of funds based on the output indicator does not fully reflect the true efficiency of the use of production funds for the following reasons:

- in the conditions of the digital economy, statistical data on raw material resources and necessary means of production are not comparable, they are reflected in current prices, which makes it difficult to objectively assess the effective use of the main production funds;
- also, the impact of the increase in the labor capacity of production on the growth of output is not taken into account, which leads to an unreasonable increase in the efficiency of funds.

As a factor of production efficiency, the following scientific conclusions can be reached during the analysis of the criterion of the efficiency of reproduction of the main production funds:

- calculation of profit, depreciation deductions and credit instruments as the main sources of reproduction of the main production funds;
- when considering the main production funds as an economic category, it should be noted that compared to the main production funds, capital has a wider meaning, because the production funds are used only in the production sector;
- the main economic indicator of the efficiency of the use of basic production funds is the calculation of profit as the main source of expanded reproduction;
- profit as an economic category is not only the efficiency of using the main production funds, but also the main indicator of the production efficiency of the entire enterprise.

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