



RESEARCH ARTICLE

CONTROL OF THE EFFECTIVENESS OF MANAGEMENT OF ASSETS OF HIGHER EDUCATION INSTITUTIONS

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Abstract

A key part of the discussion is the analysis of Tashkent State University of Economics. This case study exemplifies the impact of methodical financial results management on the university's asset status. It illustrates that the strategic organization of financial outcomes can significantly alter the property holdings and financial standing of an institution. Furthermore, the article underscores the necessity of effective financial resource management and utilization. It posits that adept handling of these resources is instrumental in enhancing the performance of various activities within the institution. The correlation between judicious financial resource management and the overall operational success of higher education institutions is a central theme. This shift towards financial autonomy in higher education is not without its challenges. The paper explores these challenges, offering insights into how institutions can navigate this new financial landscape. It proposes that adopting innovative management strategies can lead to more efficient and effective use of financial resources, thereby improving institutional outcomes.

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Introduction:-

In accordance with the international standards of financial statements, assets are defined as resources expected to receive future economic benefits from companies and controlled as a result of past events. In the dictionary of banking and finance terms, assets are defined as a complex of material, financial and intangible property values at the disposal of enterprises. In the economic mathematical dictionary, assets are defined as resources capable of generating income (profit) or other benefits. Well-known economist I.A. Blank emphasizes that assets embody the economic resources of enterprises in the form of total property values used in economic activities for the purpose of obtaining profit. E. Turdiev, an economist from Uzbekistan, researched the economic nature of the assets, and said that the assets are considered economic resources with potential or real value at the disposal of the state, business entities, and the population, which are used in the process of social reproduction to achieve the set goals, and they are expressed in the balance sheets in the established order and composition. Therefore, the assets of higher education institutions operating as a legal entity embody material, financial and intangible values that have been formed during the past period and bring economic benefit or benefit. Effective use of these assets provides an opportunity to increase the financial performance of higher education institutions. It is known that educational and scientific research activities are the basis of economic activity of higher educational institutions operating in the service sector, and in order to ensure the continuity of this process, it is necessary to form long-term assets as well as

commodity material reserves. It is considered a necessary inventory for service personnel and scientific research activities, and their involvement is one of the necessary components of ensuring the quality of services. Non-financial assets include elements of assets that cannot be traded in financial markets and, unlike financial assets (for example, shares, bonds), whose value is determined by their physical net value, not in the form of a contractual claim. Non-financial assets can include both tangible and intangible (such as patents, intellectual property, data) assets.

Method and Materials:-

This article utilizes a comprehensive quantitative analysis approach to examine the asset management of Tashkent State University of Economics (TSUE) from 2014 to 2022. The primary data sources are institutional financial records and asset statements, focusing on both non-financial and financial assets.

Non-Financial Assets Analysis:

Non-financial assets are categorized into produced (such as fixed assets, inventories, and valuables) and non-produced assets (like natural resources, contracts, leases, licenses, goodwill, and marketing assets). The study tracks the nominal value and dynamics of these assets over the study period, using TSUE as a case study. Table 1 provides detailed yearly data on non-financial and financial assets, reflecting their total value in million soums. The changes in these assets are further explored in Table 3, which details the composition of total non-financial assets, including fixed assets and inventories.

Financial Assets Analysis:

The financial assets are examined in the context of their potential for securitization and the risks associated with excessive securitization. The study assesses how TSUE's financial assets have evolved, especially in relation to non-financial assets. Table 2 outlines the structural share of TSUE's total assets, offering insights into the shifting balance between non-financial and financial assets over the years. The composition and nominal value of total financial assets, including funds and accounts receivable, are detailed in Table 5.

Results and Discussion:-

Non-financial assets, in turn, are divided into produced assets (fixed assets, inventories and valuables) and non-produced assets (natural resources, contracts, leases and licenses, goodwill and marketing assets), it is emphasized by most economists.

Non-financial assets can be converted into financial assets through securitization. These financial markets exist in the practice of leading higher education institutions of developed countries. But increasing the value of financial assets through excessive securitization affects the increase of the share of risky assets in the composition of assets. But since the activities of universities are directly educational and scientific research activities, there is currently no high need for asset management based on the policy of diversification through asset securitization.

Table 1:- Information on nominal value and dynamics of change of total assets of TSUE in 2014-2022, mln. Soum.

Years/ Indicators	Non-financial assets	Financial assets	Total assets
2014	17141,6	19676,2	36817,8
2015	17111,1	19792,2	36903,4
2016	18124,4	20787,9	38912,3
2017	19501,4	39478,8	58980,2
2018	22312,4	56995,4	79307,7
2019	24835,3	114250	139085,4
2020	28860,2	131074,4	159934,7
2021	48767,2	389380,8	438148
2022	56712,1	368270,9	424982,9
Rate of change in 2022 compared to 2014, in %	330,8	1871,7	1154,3

From Table 2.3, we can see that the growth rate of total assets increased by 1154.3 percent or 11.5 times compared to the beginning and end of the analyzed period. In particular, total assets in 2014 amounted to 35,817.8 mln. amounted to 424,982.9 million soums by 2022. amounted to soum. During the analyzed period, the high growth rate of assets mainly corresponds to financial assets, the growth rate of these assets compared to the beginning and end of the analyzed period was 1871.7 percent. The growth rate of non-financial assets, which include labor objects and

labor tools, participating in the process of reproduction, compared to the corresponding period, was 330.8 percent. During the analyzed period, assets and their individual elements did not have the same pace of continuous growth. This can be seen from the image data below.

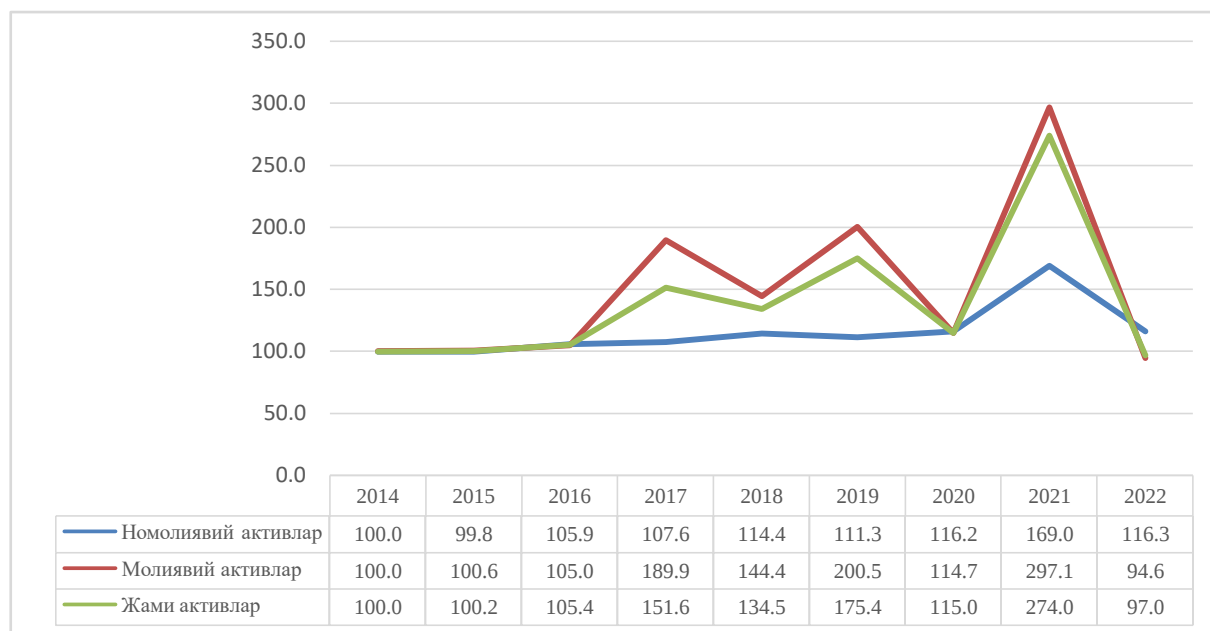


Figure 1:- Annual change dynamics of assets and its structural components, in % compared to last year.

As can be seen from Figure 2.4, the annual nominal growth rate of total assets and its elements in the analyzed years 2015-2022 was observed in 2016-2021. In 2015, the rate of relative decrease of non-financial assets was 99.8 percent, which was primarily observed as a result of the annual rate of decrease in the nominal value of inventories. Also, in 2022 compared to 2021, a relative decrease in the nominal value of total financial assets was observed, and this decrease was 94.6 percent. As a result of the significant increase in the share of financial assets in the total assets by 2022, the impact of its decrease on the assets of the society is high, and as a result, the decrease in the nominal value of the total assets is 97 percent. But in the analyzed period, the annual high growth of total assets was observed in 2017 (151.6 percent), 2018 (134.5 percent) and 2019 (175.4 percent). 9 percent; 144.4 percent in 2018; 200.5 percent in 2019). As a result of the annual dynamic change in the composition of assets, a change was also observed in the structural ratios of non-financial and financial assets, which are their main components. This can be seen from the table below.

Table 2:- Information on the structural share of TSUE's total assets in 2014-2022, in %.

Years/ Indicators	Non-financial assets	Financial assets
2014	46,6	53,4
2015	46,4	53,6
2016	46,6	53,4
2017	33,1	66,9
2018	28,1	71,9
2019	17,9	82,1
2020	18,0	82,0
2021	11,1	88,9
2022	13,3	86,7

In 2014, the share of non-financial assets in total assets was 46.6 percent and the share of financial assets was 53.4 percent. As a result of efficient operation, the increase of the capital advanced to the assets at the expense of the net financial results resulted in the share of non-financial assets being 13.3 percent by 2022, while the share of financial assets was 86.7 percent. This trend was observed mainly as a result of the sharp expansion of academic activities in

the following years, a sharp increase in income from educational services and a high level of accumulation of financial assets at the expense of these extra-budgetary financial resources.

Table 3:- Information on the composition of total non-financial assets of TSUE in 2014-2022, mln. Soum.

Years/ Indicators	AV and other long-term non-financial assets	Inventory	Kca/lta
2014	16668,1	473,5	0,028
2015	16841,3	269,8	0,016
2016	17996,3	128,2	0,007
2017	19443,3	58,1	0,003
2018	22248,9	63,5	0,003
2019	24752,8	82,5	0,003
2020	28666,8	193,4	0,007
2021	48349,2	417,9	0,009
2022	56332,2	379,9	0,007
Rate of change in 2022 compared to 2014, in %	338,0	80,2	

Table 3 shows that the balance sheet value of fixed assets and other long-term assets in non-financial assets in 2014 was 16668.1 mln. soums, and by 2022 - 56332.2 mln. amounting to 338% compared to the beginning and end of the analyzed period. The ratio of fixed assets and other long-term assets to inventories was 0.028 in 2014, and by 2022 this indicator will be 0.007.

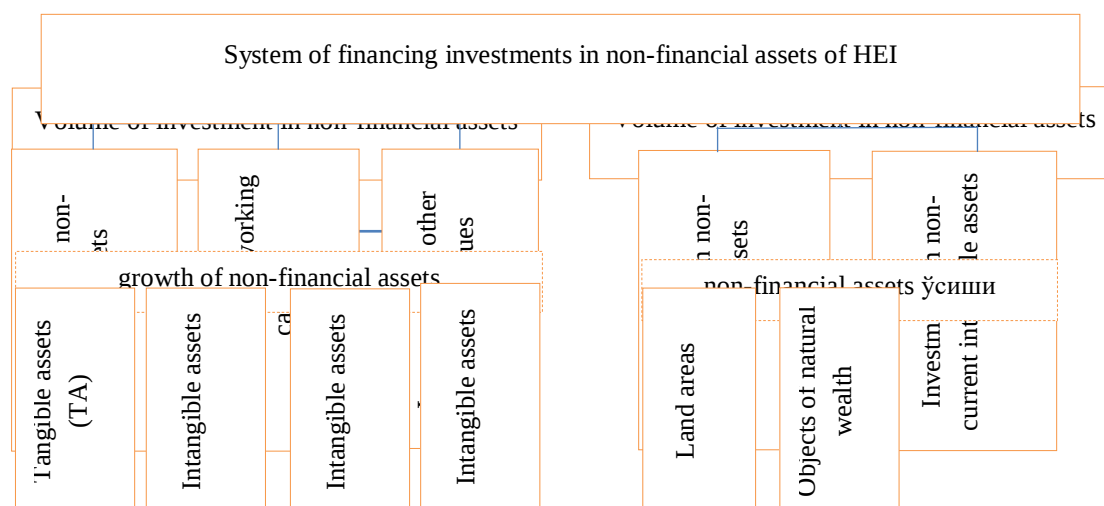
So it can be concluded that:

First, the high level of accumulation of advanced capital in non-financial assets as fixed assets and other long-term assets indicates that a solid material and technical base has been created for the effective organization of educational and scientific research activities.

Secondly, the stable growth of the balance sheet value of fixed assets and long-term assets in the composition of non-financial assets indicates that consistent reforms are being carried out related to educational and scientific research activities and infrastructure modernization.

Financing of non-financial assets of higher education institutions is one of the methods of investment financing, and we can consider the two natures of existing financial assets as a basis for the mobilization of investment resources related to financing.

Table 4:- Directions for attracting investments to non-financial assets of higher education institutions.



Usually, investing in non-financial assets of higher education institutions is considered important in strengthening their material and technical base, and existing non-financial assets can be divided into the categories of productive and non-productive. As part of non-financial assets to be produced, long-term fixed assets and intangible assets are valued based on the real value in the process of their creation.

Non-productive non-financial assets include land owned by universities and certain elements of intangible assets, which are not taken into account in terms of costs related to their direct production.

Modernization of work tools and subjects for effective organization of academic and scientific research activities is provided through investments in produced and non-produced non-financial assets classified by their economic nature. This, in turn, creates conditions for the provision and modernization of competitive educational and scientific research services.

It is worth noting that financial assets are also needed in higher education institutions due to the financial operational needs of effectively organizing the educational and scientific research process. In the formation of financial assets necessary for operational activities and their effective management, it is necessary to determine their economic content, purpose and threshold criteria of optimal needs from higher education institutions.

In the economic literature, financial assets are described as non-tangible assets, and their value is based on contractual requirements such as bank deposits, bonds, and participation in the authorized capital of companies. It is also argued that financial assets are generally more liquid in nature than tangible assets such as commodities or real estate.

Economist I.S. Zayniddinov conducted research on the economic content of financial assets of economic entities and embodied financial requirements of a certain value equivalent, assets representing financial requirements that give the right to provide liquidity to its owner (creditor), receive payments and a series of payments from other institutional units (debtors) in accordance with concluded contracts - as clarified.

According to another source, the opposite of financial assets are non-financial assets, which include tangible assets (sometimes called real assets) such as land, real estate, or goods, and intangible assets such as intellectual property, including copyrights, patents, trademarks, and information included.

Therefore, financial assets mainly include the component of assets necessary for the continuous financial support of current operational activities and the implementation of the policy of selling goods (works and services).

Naturally, the activities of higher education institutions are organized not only at the expense of long-term and short-term non-financial assets, but we can also see the need for long-term and short-term financial assets in the process of continuous and quality provision of services related to education and scientific research activities.

In accordance with the international standards of financial statements (IFRS), the following are included in the category of financial assets:

1. cash or its equivalent;
2. equity financial instruments of other enterprises;
3. a contract confirming the right to receive funds or other financial assets from other economic entities;
4. contractual right to exchange financial assets or financial liabilities of other economic agents potentially beneficial for the economic agent, etc. are included.

In accordance with the international standards of financial statements (IFRS), we can group the need for the formation of financial assets in higher education institutions as follows:

1. It is formed for the purpose of timely and full financing of any current financial obligations that arise for the purchase of non-financial assets necessary for current operational activities or to ensure the continuity and quality of educational and scientific research activities. In short, financial assets necessary for transactional needs.
2. Fixed or fixed liabilities and financial assets with a fixed term that higher education institutions must be willing and able to hold until maturity are classified as "held-to-maturity" investments. These financial assets

refer to the processes related to the investment of temporarily immobilized monetary assets in financial assets that generate income.

- Assets that arise as liabilities in the form of deferred payment and future income for the services provided. These assets are one of the main financial factors for strengthening the competitive position in the market related to the sale of services.

We can see the nominal value of financial assets in the composition of assets of Tashkent State University of Economics, the trend of dynamic change in the table below. From table 2.6 we can see that the nominal value of total financial assets in 2014 was 19676.2 mln. if he spent 368,270.9 million soums by 2022. grew up to soum. Between the beginning and the end of the analyzed period, the dynamic growth rate of financial assets increased by 1871 percent, i.e. by 18.7 times. Among these financial assets, we can see that the highest growth rate was observed in receivables. In 2014, the nominal value of this debt was 64.1 mln. amounted to soums, by 2022 the nominal value of receivables is 140,073.3 mln. amounted to soum.

Table 5:- Information on the nominal value of total financial assets of TSUE in 2014-2022, mln. Soum.

Years indicators /	Funds		Accounts receivable		Total financial assets
	Mln. soum	Share of total	Mln. soum	Share of total	
2014	19612,1	99,7	64,1	0,3	19676,2
2015	19722,1	99,6	70,2	0,4	19792,2
2016	20582,6	99,0	205,3	1,0	20787,9
2017	25158,5	63,7	14320,3	36,3	39478,8
2018	35574,2	62,4	21421,1	37,6	56995,4
2019	67767,7	59,3	46482,4	40,7	114250
2020	62997,3	48,1	68077,2	51,9	131074,4
2021	181237,5	46,5	208143,3	53,5	389380,8
2022	228197,5	62,0	140073,3	38,0	368270,9
Rate of change in 2022 compared to 2014, in %	1163,6		218523,1		1871,7

Conclusion:-

In conclusion, the share of receivables in total financial assets increased from 0.3 percent in 2014 to 38 percent by 2022. The share of cash has fallen from 99.7 percent in 2014 to 62 percent by 2022, based on strong annual fluctuations. In general, the following conclusions can be formed based on this information:

- TSUE's financial assets management policy, in addition to observing the tendency of chaotic changes in funds, a tendency to decrease its share in financial assets was observed. During the analyzed period, the process of financial management of funds did not have a systematic description. As a result, there were opportunities to increase income in financial activities through effective use of funds.
- There is a high share of receivables in the structure of financial assets, and this situation increases the risk of a decrease in the business activity indicators of the university. In the policy of financial management of university activities, the measure for extinguishment of receivables requires the development of measures.
- Granting financial independence to public higher education institutions in modern conditions requires the introduction of advanced market mechanisms for asset management. In particular, through the use of advanced market mechanisms of optimal management of funds and receivables, it is possible to create conditions for universities to maximize business activity and profitability indicators by minimizing excessive financial operational needs and effective use of available financial resources.
- In the financial planning system, which is important for the effective management of assets, it should be based on the development of an investment strategy that incorporates the methodology of determining the medium-term perspective of asset planning based on the medium-term development strategy. Secondly, it is appropriate to introduce indicative planning system in planning based on normative methodology from financial planning.

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