



ECONOMIC IMPORTANCE OF REDUCING PRODUCTION COSTS

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Annotation: This article covers the economic importance of reducing production costs, as well as, its management methods are analyzed. This problem is one of the most discussed by scientists, which in its place allows the economic development of the enterprise. The article made recommendations on reducing production costs.

Keywords: cost reduction, cost management, market economy, ways to reduce costs, cost analysis, cost control processes.

Introduction. In a market economy, every entrepreneur or enterprise receives a high profit and aims to increase it. The amount of profit it receives while generating to the size, quality, cost of the output product or the service it provides, and will depend on the level of grades. Delivery of products to the market of enterprises, an important factor determining the ability to make a profit is the level of spending . The production of any commodity assumes economic resource consumption by doing so, they will also have a certain price.

The amount of profit that an enterprise receives is what it offers to the market on the one hand depending on the amount of goods, on the second hand it is economical to do to it to the level of costs, the efficiency of resource use and the market of goods depends on the prices sold. [1] hence the cost of production one of the most important categories of economics, the study of which is important owner. Because on the basis of its study, it is necessary to evaluate the share of each cost and reduction options are determined.

ANALYSIS OF LITERATURE

At the present stage of the development of our country, the export potential upgrading and increasing the competitiveness of our national economy are also in many ways achieve savings, as well as reduce the cost of products and services related [2]. Accordingly, our President Sh.M.Mirziyoyev 12 of 2019 products from mountain rocks



at the marmarabad enterprise in the District of martida Nurota having familiarized himself with the production process, he highlighted the following point: “It is necessary to enter the world market by reducing the cost of products”. As proof of this, the numbers below keltrish possible in January-June of this year the number of exporters of the country amounted to 4,885, which amounted to 5,669.0 million by them. US dollar value (increased by 36.4% compared to the corresponding period of 2020) the export of goods and services was ensured [3].

ANALYSIS AND RESULTS

In general, saving resources is going to the unit of product a decrease in costs, a positive increase in the level of resource use is defined as. [4]. In addition, the concept of “saving resources” is based on their the benefit that can be obtained as a result of its effective consumption also assumes the result. Resources from the point of view of double-sided, absolute and relative savings in economy it is possible to approach. Absolute economy in the process of production and consumption of the product a decrease in the amount of live and improvised labor that is part of it describes the level. However, in this case, the degree of sophistication of the product produced and the value does not change.

Under the concept of relative savings, live and bullied labor costs useful results of production under relatively stable conditions, it is necessary to understand the process of ensuring an increase in the volume of value. Therefore the solution to the resource savings problem is effective in the economy very important for its development.

The assessment of the degree of savings is carried out in a relative way. If a society consists of a single individual, its action from the point of view of thrift it would not have been possible to evaluate. Accordingly, thrift is an economic attitude towards the economical use of all resources at a certain level of socio-economic development of society and is the main factor in ensuring the efficiency of production.[5] economic efficiency also involves the problem of “cost - production”. More precisely, economic efficiency avifies the connection between the sum of the deficit resource units used in the production process and the sum of consumer goods. The excess of ahsulot from the volume of expenses spent means an increase in efficiency.

Another of the most effective ways to influence the process of cost formation in the production process is the establishment of financial responsibility centers on the basis of which is the management of the costs and income of the enterprise.[6]

The main functions of the cost management system are forecasting and Planning, Accounting, Control (monitoring), coordination and regulation adjustment is also a cost analysis. The Center for financial responsibility (MJM) is a group of structural units or



units that perform basic tasks to optimize income, find ways to directly influence profitability, control the level of costs within established limits, and find ways to reduce costs.

Income and profit are among the most difficult economic categories. Having studied the sources of income, it is possible to develop a scientific approach to solving many problems, for example, achieving final results at the lowest cost [7].

This approach to the subject of research means that profit or a positive financial result of the organization's activities is what this activity is for. This is the fundamental principle of the existence of an economic entity in terms of its aspirations [8]. Thus, the purpose of the ongoing research is a comprehensive analysis of the income received by the enterprise, as well as the search for reserves to increase them. Assessing the most strategic and efficient methods of increasing revenue is a challenge, especially since what works at one time might prove less effective later. With business revenue subject to market shifts and variable demand, figuring out sticky ways to attract and retain customers is complicated. For enterprise businesses, this can also mean establishing and maintaining a differentiated and well-defined, yet agile and adaptable, position in the market.

Traditional growth strategies include increasing prices, amping up marketing spend, expanding sales teams, and launching new products. In addition to these tried-and-true options, there are also meaningful tools that can impact revenue. One underutilized path to revenue growth for enterprise businesses is refining and optimizing the commerce experience. Embedded within the purchase experience are opportunities not only to improve your customer's overall satisfaction with your brand, but also to expand market innovation, increase geographic reach, and boost conversion [9].

Understanding the ins and outs of the purchase experience—and the financial infrastructure platform that your company relies on to deliver that experience—can help you carve out a unique and effective path to revenue growth. Here is a rundown of relevant tactics and tools to consider as you put together a plan for optimizing your purchase experience and increasing your revenue.

Understanding the purchase experience requires a solid grasp of the infrastructure mechanics that support your payments system as well as how your customer will interact with every external detail supported by that infrastructure. It can help to consider your conversion funnel, or the steps your customer will take before they reach the final, desired step of purchasing your product. As your customer approaches or reaches the point of purchase, what are the barriers they might



encounter? Where are opportunities to make the moment of purchase as fast and seamless as possible?

Designing a fast and smooth purchase experience has tangible benefits. Given that around 70% of online shoppers will place an item in your cart only to abandon it, understanding how to simplify this stage for your customer is important. Thinking through each step and option that your customer is presented with—from payment methods to guest checkout—will help you form a more complete picture of the purchase experience.

Improving the purchase experience brings with it important benefits that range from increasing conversion to improving customer satisfaction and generating brand loyalty. When leadership sits down to assess possibilities for business expansion, purchase experience can often be overlooked, but it is in fact one of the most powerful tools available to strategically and comprehensively grow revenue.

When setting out to finesse your business's checkout process, bear in mind the qualities that customers care about most: speed, ease of use, and security. Whether you are accepting payments in person or online, a clunky checkout process will frustrate customers, discouraging them from returning or even completing their purchases.

When considering the purchase experience as it relates to your revenue, there's no way to avoid the challenge of fraud. Around the world, online fraud has increased: In a survey of 2,500 business leaders, Stripe found that 64% say fraud has become more difficult to combat since the start of the pandemic. Confronting fraud costs money. It's expensive not only to deal with fraudulent transactions, but also to spend time and energy trying to prevent them. That operational overhead is significant. In the same survey, 72% of business leaders responded that they had to divert resources to respond to fraud, while over half said they had to put off expansion or investment plans to tackle fraud. Then, of course, there is the cost to your customer. While businesses may understandably respond to the ever-increasing threat of fraud by amping up efforts to fight it, this often leads to a related problem: being too quick to block legitimate charges. False declines can hurt your revenue and your reputation. On one level, a false decline will slow down the checkout process, adding friction and making it less likely that the transaction will be completed. However, research has shown that a false decline is not just an inconvenience for a customer, blocking one purchase; it often has a lifetime impact, dissuading customers from returning in the future.



There are a number of ways to prevent and deal with fraud and the host of issues it can present to your company. Some are relatively simple. For instance, when dealing with online payments, you can consider tools that help link your customer's financial accounts directly, to send payments more easily and securely. Products like Financial Connections quickly authenticate users with bank account information, helping you streamline the purchase experience and make it easy for your customer to return and make another purchase in the future [10].

There are other tactics you can use to improve your authorization rates. With Stripe Payments, you can access issuer-optimized authorizations powered by machine learning (ML). You can also find tools that help recover declines that were made in error. Adaptive Acceptance, for example, uses ML to strategically retry certain payments immediately, before the customer even receives notice of a decline. In a matter of moments, it can also consider the optimal retry messaging and routing combinations and run a variety of experiments to discover what might result in a successful charge. Tools like these help make it more likely that your customer will be satisfied, increasing the likelihood of a successful transaction and even helping you recover revenue that has been lost via false declines.

There are also tools designed to proactively target and fight fraud. Stripe Radar, for instance, is trained with billions of data points from companies of all sizes around the world. With payments, checkout, and card network data, Radar is able to accurately assess risk and detect and block fraud without getting in the way of legitimate customers. All together, tools and tactics that help you detect and prevent fraud and contain the damage that fraud can cause—from losing revenue to losing customers to incurring huge operational costs—are essential to any business that operates even partly online today.

Conclusion. Thus, the cost planning, the cost management system an important element is to be comprehensive and Where are the resources of the enterprise, allows you to determine when and in what volume it will be spent. It is also worth noting that the organization has its own characteristics and from the cost management system, taking into account the complex approach the use makes it possible to achieve high economic results of the enterprise's activities gives.

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