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## INDICATORS OF FINANCIAL PERFORMANCE OF SMALL BUSINESS AND ENTREPRENEURSHIP

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**Abstract:** This article provides ideas and feedback on indicators that represent the financial performance of small business and entrepreneurship.

**Keywords:** Business, credit, commodity, money, credit object, financial activity.

The financial activities of small businesses represent monetary settlements related to the regulation of their interaction with the state, other enterprises, organizations and individuals.

The performance of a small business is closely linked to its financial condition. The financial situation reflects the results of all aspects of the enterprise and influences the implementation of the planned activities. It is very important that every small business conducts its financial and economic activities properly.

The main indicator of financial performance of enterprises is profit.

Types of corporate profits include:

a) gross profit from sales of products (ЯФ). This is the difference between net sales revenue (СТ) and cost of goods sold (МТ), i.e.

$$\text{ЯФ} = \text{СТ} - \text{МТ};$$

b) income from basic production activities (ИЧФ). This is the difference between gross profit (ЯФ) and expenses (Ахараж.) From the sale of products in a given period, plus the difference between income (Бдар.) Or deficits (Бкам.) Of other main activities, ie:

$$\text{ИЧФ} = \text{ЯФ} - \text{Ахараж.} + \text{Бдар.} - \text{Бкам.};$$

c) gross profit (УХФ). It is expressed as the sum of algebraic expressions: operating profit (АФФ) plus dividends (ДД) and interest income (ФД) plus (or minus) income (or deficit) from foreign exchange transactions (ЧЭВ) plus (or minus) value - Gains (or deficits) on revaluation of securities (КККБ) minus interest expenses (ФХ), ie:

$$\text{УХФ} = \text{АФФ} + \text{ДД} + \text{ФД} \pm \text{ЧЭВ} \pm \text{КККБ} - \text{ФХ};$$

g) profit before tax (СФ). This indicator is also expressed as the sum of algebraic expressions, consisting of the balance of profit (УХФ) and random (unintended) profit or deficit (ТФК) in general economic activity, ie:

$$\text{СФ} = \text{УХФ} \pm \text{ТФК};$$

d) annual net profit (ЙСФ). This is the income that remains on the enterprise's account after all taxes have been paid, i.e., the portion remaining after profit (СФ), income or profit tax (ФС) and other taxes or fees (БС) are deducted from the pre-tax profit, i.e.:

$$\text{ЙСФ} = \text{СФ} - \text{ФС} - \text{БС};$$

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Expenditures incurred by enterprises in the course of their economic activities are classified according to their characteristics as follows:

Production cost of products:

- a) straight and curved material costs;
- b) straight and curved labor costs;
- c) other direct and indirect costs.

Expenses for a certain period:

- a) selling expenses;
- b) management costs (administrative costs);
- c) costs associated with other processes.

Expenses related to financial activities:

- a) interest expenses;
- b) negative exchange rate differences in foreign currency transactions;
- c) revaluation of securities;
- g) other expenses related to financial activities.

Accidental expenses (expenses caused by natural disasters).

Income of enterprises in the course of economic activity is grouped by their characteristics as follows, and it is reflected in the reports in the following main sections:

- net sales proceeds;
- other income in the main areas of activity (operating income);
- income in the field of financial activities;
- casual income.

Net proceeds from sales are calculated as the remainder of the proceeds from the sale of goods (works, services) after deduction of value added tax, excise tax, export tax (certain discounts provided by the buyer) and other payments and deductions.

Calculation of profits and income from operations related to the export activities of enterprises is carried out in the prescribed manner, such as determining the amount of revenue from the sale of products (works, services).

Other income (operating income) in the main areas of activity is specified in the item "Other income and receipts" of the reporting section.

These revenues include:

- various sanctions, fines, penalties for violation of the terms of economic contracts, as well as compensation for damages and shortages;
- the amount earned in the reporting year as a result of the calculation of income and profit for the previous year;
- other income not related to the sale of products (works, services) or production processes, ie rental income, income from the service sector, income from kitchens and cafes in the enterprise system;
- financial income from the activities of fixed assets and other assets of the enterprise.

Revenues from financial activities include:

- accumulation of royalties (periodic transfer of money to the seller for the right to use what is specified in the license agreement) and transfer (transfer of securities with the owner's name on behalf of one person to another);
- income from dividends from the contributions of industries operating in the enterprise system to securities;
- positive balances of exchange rate differences on foreign currency accounts;
- Profits from the revaluation of investments of subsidiaries in securities, etc.

Random profit or income is income that arises as a result of unforeseen coincidences, events, neglected processes and events in the course of business. These do not include income in the other income section item reflected in the statements expressed during the main activity.

It is important for enterprises to determine and control the level of their capital in the course of economic activity. This is because property disputes, disputes or problems arising on the basis of concluded contracts and agreements are guaranteed on the basis of ownership rights to this property.

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Property liability, regardless of the form of ownership, can only be transferred to the enterprise's own funds. The amount of own funds is determined based on the balance sheet data.

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