

THE IMPORTANCE OF CALCULATING FINANCIAL RISKS EFFECTIVELY

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Subject: Financial risks

Abstract: *Effective calculation of financial risks is one of the most important aspects of the modern economy and financial system. In the activities of any enterprise or financial organization, risks constantly arise, which can negatively affect financial stability. Therefore, the correct identification, assessment and management of financial risks is a prerequisite for the successful functioning of the enterprise. With effective methods of calculating financial risks, organizations will be able to improve their financial condition, reduce losses, and anticipate future uncertainties.*

Keywords: *risk, income, operational risk, identification and calculation, method, financial organizations, banks.*

Financial risks are mainly manifested in different forms. They include credit risk, market risk, liquidity risk, operational risk and many other types. Each type of risk has its own characteristics, which require special methods and tools to identify and calculate. The process of effective calculation of financial risks involves an in-depth analysis of the nature and sphere of influence of risks, their quantitative and qualitative assessment. This, in turn, provides accurate and reliable information to the management of the organization. The most fundamental importance of calculating financial risks is that it helps the organization to plan its activities. By identifying risks and evaluating them in advance, the enterprise will be able to effectively allocate its resources. This is instrumental in managing financial flows and ensuring financial stability. Also, by calculating risks, the organization can take

the necessary measures to reduce potential losses. These measures serve to reduce financial losses, ensure liquidity and optimize investment decisions.[1]

Methods and technologies used in the process of calculating financial risks also play an important role. With modern technologies and statistical methods, risks can be assessed more accurately and faster. For example, stochastic models, Monte Carlo simulations, stress tests, and other advanced techniques serve to efficiently calculate financial risks. With these methods, organizations can not only identify existing risks, but also anticipate possible future uncertainties. Thus, effective methods of calculating financial risks are an important tool for organizations to increase competitiveness and adapt to market conditions. Another important aspect of calculating financial risks is the fulfillment of legal and regulatory requirements. Many states have strict regulatory requirements for the calculation and management of risks for financial organizations and banks. These requirements are aimed at ensuring the financial stability of organizations, protecting the interests of customers and increasing the overall security of the financial system. Therefore, the correct and effective calculation of financial risks is necessary not only for internal management, but also to improve relations with external regulators. In the process of calculating financial risks, the qualifications and level of knowledge of employees are also of great importance for organizations. Highly qualified professionals achieve accurate and reliable results in identifying and evaluating risks. Therefore, enterprises and financial organizations pay great attention to constantly training their personnel, introducing them to modern risk management methods. This increases the quality of the financial risk calculation process and serves to ensure the overall financial stability of the organization.[2]

Effective financial risk calculations also support the organization's investment activities. Proper risk assessment is important in investment decision making because any investment involves some degree of uncertainty and risk. If the risks are not calculated correctly, this can lead to investment losses. Therefore, the calculation of financial risks is necessary to diversify investment portfolios, effectively distribute capital and increase profit opportunities. The effectiveness of

financial risk calculations also has a significant impact on the strategic development of the organization. Through risk analysis, the organization identifies the measures necessary to achieve its long-term goals. Risk reduction strategies are developed and implemented in this process. Thus, the calculation of financial risks is an important factor in ensuring the organization's stable growth and adaptability to market conditions.[3]

Conclusion:

In conclusion, the effective calculation of financial risks is one of the main conditions for the successful activities of enterprises and financial organizations. This process makes it possible to ensure financial stability, reduce losses, optimize investment decisions and support strategic development. With the help of modern technologies and advanced methods, the calculation of financial risks is more accurate and reliable, helping organizations to increase competitiveness. Therefore, the importance of calculating financial risks is of great importance not only for financial management, but also for the stability of the entire economic system.

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