

The Main Functions and Advantages of Leasing in the Economy

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Abstract: This scientific article briefly describes the main functions and advantages of economic leasing.

Keywords: leasing, investment, funding, target payment, credit, insurance.

INTRODUCTION

From an economic point of view, three important functions of leasing can be distinguished.

1. Financial:

- exempting the lessee from paying the price of the necessary means of production in full at the same time;

- providing a long-term loan to the lessee;

2. Production:

- quickly solving production tasks due to temporary use of property;

- an effective method of material and technical support;

- Having FTT and the latest techniques;

- full package leasing is implemented with a variety of services: maintenance, insurance, supply of raw materials.

3. Sale:

- expanding the circle of consumers;

- acquisition of new sales markets;

- to attract those who cannot afford to buy this or that property to the leasing sector;

The financial function is manifested in releasing the producer of goods from paying the full cost of the necessary means of production at one time and providing him with a long-term loan. The production function consists in solving production problems at the expense of temporary use of property, it is an effective method of production of new equipment and material-technical supply, as well as technical service, provision of raw materials and labor. performed together with various services. The sales function includes the circle of consumers, i.e. capturing sales markets, as well as attracting those who do not have the opportunity to purchase this or that property to the leasing sector. The experience of foreign countries and national practices show another function of leasing. This is the use of depreciation and tax credits and has the following characteristics:

- The leased property is taken into account in the balance sheet of the lessor or lessee according to the agreement of the parties;

- The lease payment is included in the cost of the product produced by the lessee, which reduces the amount of taxable profit;

- Accelerated depreciation reduces the amount of taxable profit and accelerates the renewal of the

material and technical base.

Thus, this feature becomes the most important as it benefits both the lessor and the lessee. Leasing provides the following advantages for each participant: For the lessee: the opening of the way to acquire new, advanced techniques in conditions of moral obsolescence: solving the issues of property purchase and financing at the same time; exemption from simultaneous payment of the value of the purchased property; exemption from property tax for the period of the lease agreement; reduces the amount of taxable profit by the amount of lease payments; decrease in the risk of moral wear and tear of equipment; flexibility of the payment system; full ownership of the equipment after all lease payments are made. For the lessor: to expand the range of services and retain old customers; attract new customers; efficient use of their idle funds, as well as additional profit; reduction of losses associated with the client's insolvency; observance of state interests. For the seller of leased property: expanding the product sales market; receive immediate guaranteed payment for equipment; establish communication in order to identify defects and defects of equipment; speeding up the pace of product updates; ease of calculations; presence of demand for auxiliary equipment; earning income from temporarily unused equipment.

For the state: guarantee of targeted use of investments; active implementation of investment policy; adding funds to the main funds in addition to traditional financing channels; to encourage the development of small business and producers engaged in private entrepreneurship; making investments in the development of production using only economic methods, without creating additional administrative bodies. In this way, leasing is of interest to the producer of the property, to its consumer, and to the investor. For the consumer, it is a means of financing the property necessary for business activities, and for the producer, it is an additional sales channel that allows to expand the volume of sales. For an investor, leasing is a useful way of investing capital that allows for efficient use of one's own funds. In order for opinions about leasing to be objective, it is necessary to list a number of disadvantages inherent in it:

- due to inflation, leasing may become more expensive than borrowing to purchase property;
- as a result of scientific and technical progress, the used property becomes obsolete, and lease payments are made until the end of the contract period;
- in case of bankruptcy of the lessee, the lessor has no right to demand payment of the remaining part of the contributions specified in the contract;
- after the end of the lease period, the lessee will have obsolete equipment.

At the same time, leasing has more positive features than negative ones, and the history of the development of leasing in most countries confirms its great importance in the economic life of society. According to the term of lease agreements, the size of the lessor's obligations and the level of self-recovery of the leased objects, two main types of leasing can be distinguished - financial and quick leasing. Leasing is more characteristic for Uzbekistan, which is at the initial stage of development. It involves leasing the property for a long period corresponding to its full amortization period, which means that the full value of the property is paid over the lease term.

It should be noted that at the current stage of leasing development, not all of the above types of leasing are widely used in Uzbekistan. As it can be seen from the experience of our country, in the Republic of Uzbekistan, according to the Law "On Leasing", the main attention is paid to financial leasing. Leasing transactions are divided into small, standard (average) and large leasing types according to their size. The subject of a small lease consists mainly of non-productive property - computers, office equipment, telephone exchanges, security systems, etc. The average leasing price ranges from 200,000 to 2.5 million soums, and it corresponds to the most popular types of property in terms of price - various

mini-factories, technological equipment. Large leasing is intended for aircraft, ships, energy equipment and similar large objects. Work in this field requires a large amount of money, as well as the training of specialists in the field of leasing, who are able to prepare special financial schemes for some customers.

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