



INNOVATIVE FINANCIAL FEATURES IN THE REGION

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Abstract. The article analyzes the essence, historical origin, characteristics and functions of finance. The monetary relations, distribution and fund-based features of finance are highlighted. The views of various economists on the functions of finance (distribution, control, incentive) are presented. The manifestation of financial relations at the macro and micro levels is shown.

Keywords: finance, monetary relations, distribution, control, funds, financial functions.

Introduction Finance (Arabic - property, funds) emerged as a result of the development of the state and the increase in its needs for resources in conditions of stable commodity-money circulation. There are different opinions among economists and scientists about the origin of the term finance. According to some authors, this term first appeared in the trading cities of Italy in the 13th-15th centuries, later spread internationally and began to be used as a concept related to the system of monetary relations between the population and the state¹. Other authors note that this concept was first introduced into circulation by the French scientist J. Bodin in his 1755 work “Six Books on the Republic”[1].

The emergence of the state, in addition to all its consequences, requires the establishment of certain mutual relations regarding the distribution and redistribution of the created economic benefits between the state as the supreme government and the remaining subjects of reproduction relations. It is these relations that are expressed through the concept of “finance”.

Special funds of funds are formed from the income of economic entities from various activities in the form of accumulation of depreciation deductions, arrears on

¹ Финансы: Учебник для ВУЗов / Под ред. М.В.Романовского и др. М.: ФиС, 2000. - 44-бет.

wages, arrears on payments to the budget and non-budgetary funds, as well as profits, part of which is transferred to the disposal of state bodies through the tax system, and the rest is mobilized to expand reproduction as entrepreneurial income, in the form of dividends, etc. It is worth noting that the formation of these funds is strictly defined, and this fact represents another important distinguishing feature of financial relations[2].

The characteristic features of finance are:

- the monetary nature of relations;
- the distributional nature of relations;
- the fund-based nature of relations.

The manifestation of these characteristic signs and their occurrence in our current real economic life is presented in the following conditional diagram.:

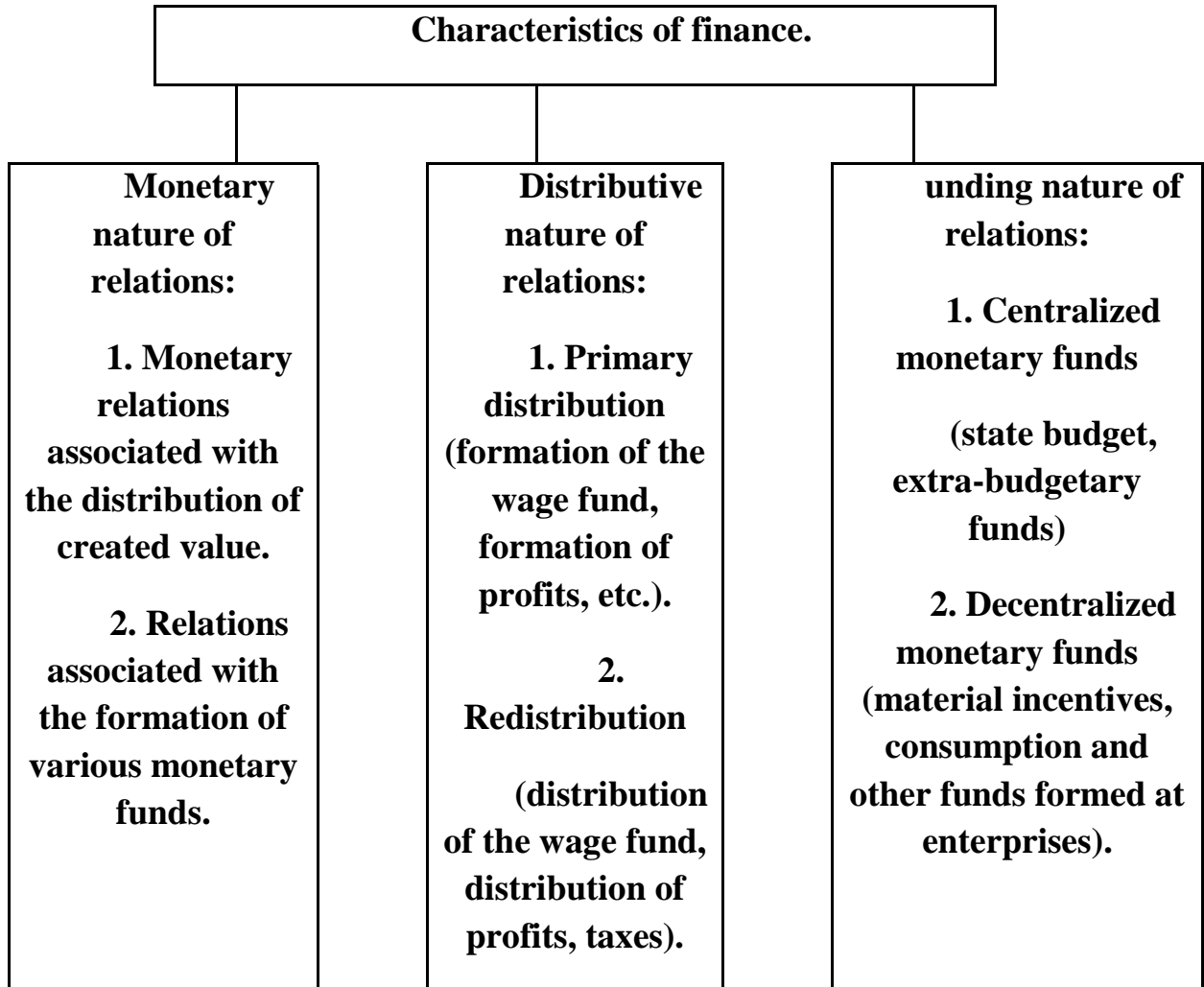


Figure 1.1. Characteristics of Finance².

Finance initially meant any monetary payments, and later this concept became one of the important elements of the system of monetary relations between economic entities.

However, not every system of monetary relations is considered financial relations. Therefore, along with the interdependence between finance and money, there are also certain differences between them.

For example, money is a special commodity that is separated from the world of commodities and plays the role of a general equivalent for all goods.

Finance, on the other hand, covers a specific system of monetary relations. Finance is a system of monetary relations associated with the formation of various forms of monetary funds between the state and other economic entities.

The material basis of finance is money circulation.

There are two types of money circulation

Cash circulation;

Cashless circulation.

Finance is a unique historical category. As is known, the emergence and importance of money is one of the great discoveries of mankind. In the early days of human civilization, money appeared, commodity-money relations arose and developed, and states were formed. However, it is natural that the legitimate question arises as to why finance appeared in the Middle Ages. The objective conditions for the emergence of finance in this period can be explained as follows:

1. At that time, internal conflicts and problems began to arise in a number of countries, for the resolution of which the state began to need large amounts of money.

2. At that time, the formation and use of monetary funds began to take on a systematic nature. Already at that time, four types of expenses began to operate: military expenses, economic expenses, social expenses and administrative expenses.

3. At that time, the monetary form of tax collection was developing as a priority.

Conclusions and proposals In general, the existence of finance is determined by the emergence of the state, the emergence of commodity-money relations, and the operation of economic laws.

² Мищенко Е.А. Реальные преобразования как ключ к эффективной антимонопольной политике / Е.А. Мищенко // Современная наука: теоретический и практический взгляд: сборник статей Международной научно-практической конференции. – Уфа: Омега сайнс, 2015. – С. 132



Of course, at the macro level, gross domestic product is the primary source. The process of distributing gross domestic product is carried out through various financial instruments: norms, rates, tariffs, deductions, and other financial instruments.

At the micro level, its source is the cash income and funds of enterprises.

The control function of finance is the objective control of the processes of monetary relations.

The object of the financial control function is the financial results of the activities of economic entities.

Through the control function, it controls the implementation of the processes of formation of monetary funds based on economic laws and norms.

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