

## PECULIARITIES OF APPLICATION OF ANALYSIS METHODS IN TEACHING "THEORY OF FINANCE"

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**Introduction.** Teaching economics to students in universities requires knowledge of different methods and application. The use of successful methods in economics courses creates preconditions:

- Activate and make students' individual work independent;
- Identify students' abilities, skills and abilities;
- Develop the knowledge of future economist financiers and promote application features.

**Methodology.** Modern economics uses many analytical methods. Some of them are considered general and can be used in any branch of economics, while others have features and can be used only in individual branches.

In general, studies of teaching experience in finance do not clearly suggest which method of analysis should be used in a given situation. Therefore, each teacher in his / her field should be able to master and use the most common methods, present their advantages and disadvantages, as well as the conditions of application. This conclusion is confirmed in practice, when experienced teachers of finance use a limited number of the most common methods. It should also be noted that the chosen methods should correspond to the nature of the branch affiliation of the profession.

**Literature review.** In the broadest sense, a method is a way of solving a certain problem, a method [Dialectics, 1989, 85].

In economics, the method is described as a way of researching the subject of analysis. Therefore, economic and financial processes and phenomena are considered in interdependence.

The method of analysis is considered as a system of rules, which guarantees the effective application of the method.

The entire set of methods and methodology is the methodological basis of teaching.

All known methods can be classified into 2 major groups:

- qualitative (logical),
- quantitative.

**Analysis.** Qualitative methods are those methods that are based on logical thinking and the professional orientation of the teacher.

. Qualitative methods have the following classification:

- method of comparison
- method of building analytical spreadsheet system
- method of expert assessments.

All the listed methods can be used in the practical lessons of the "Finance Theory" course, in particular as a result of discussing the following topics:

- "Budgetary relations and budget system",
- "Loans and credit system",
- "Financial Institutions and Markets".

Through the qualitative method, the student is able to get complete information about the object under study.

Quantitative analysis of the obtained data is carried out by means of a quantitative method, which is presented in the form of tables and graphs [Adamov, 2015, 53].

The quantitative method is used with great success in the analysis of the indicators of loans and borrowings provided by commercial banks. At the same time, the task is to choose the most effective alternatives.

Quantitative methods are classified into the following groups:

- accounting,
- statistical,
- economic-mathematical,
- classical methods of analysis.

It should be noted that the listed methods have also found their application in foreign practice outside Armenia.

The widespread use of quantitative methods can play a significant role in the study of the methodological basis of financial activity. Based on the assertion that a high level of competition is an inseparable element of a market economy, then each economic entity needs to properly assess the financial condition of the enterprise and implement measures to ensure normal development.

It is well known that finance theory consists of a number of principles through which the student can demonstrate a systematic approach to discussing the issues of effective redistribution of funds. Particularly, in the finance theory uses the quantitative methods by which alternatives are evaluated, the most important financial decisions are implemented.

In sum, we may conclude that students are able to make comparative analyzes and compile tables through qualitative-quantitative methods. The use of these methods is also recommended to apply not separately, but jointly: the combination of methods allows the application of theoretical knowledge in practice, using statistical data.

The use of the mentioned methods is strongly used in the theory of finance, from that point of view and considering 3 main reasons:

- Requirement for effective cash management;
- Organizing a successful business in the business world;
- Making informed decisions that can have a positive impact on the organization as well as on the country's economic policy.

As a result of the analysis, students can gain a variety of skills through the combination of quantitative and qualitative methods in the perspective of developing the methodology of the "Finance Theory" course and other related courses. Integrated qualitative-quantitative methods can be presented in the form of the following integrated environment, which will strengthen the connection between education, science and "production".

State apparatus - education sector - science sector - industrial sector - business sector. This chain, which can be used effectively during the course, ensures the integrity of the finance methodology.

The use of quantitative and qualitative methods during teaching is the basis for the methodological orientation of the teacher [Barlyabev, 2015, 48-59].

Currently, the use of financial planning methods in general economics, particularly in financial courses, is growing:

- computational analytics,
- normative,
- balance sheet,
- method of optimizing planned decisions;
- economic-mathematical modeling method.

The comparison method is a method of combining 2 and more studies by which patterns and features can be distinguished [Analitikaplus, 2021].

The method of comparison can be used in particular in the analysis of the indicators of the revenue-expenditure parts of the RA state budget, which cover different periods, allow to carrying out a comparative analysis.

In financial planning we use the tools of normative-economic-mathematical methods more. The normative method is one of the simplest methods in financial planning, and its essence is as follows: the demand for sources of financial resources of

economic entities is calculated on the basis of pre-defined norms and technical-economic norms [Barlybaev et al., 2015, 15].

Norms are the tax rates, depreciation rates, working capital demand. The purpose of this method of teaching is to enable students to calculate the demand for financial resources on the basis of a specific organization.

In our opinion, none of the current methods of financial planning alone can provide absolutely accurate planning results. The combination of all the mentioned methods can help to record positive results. The teaching process also uses the method of financial planning indicators, which reveals the main patterns.

In financial planning, financial indicators are calculated and their correlation is determined.

In the "Financial Theory" method, the method of financial indicators can be used to assess the economic activity of enterprises and organizations. These indicators are classified as:

Ability of solvency and liquidity,

- business,
- work efficiency,
- market characteristics of the organization.

The use of this method provides an opportunity to study the financial situation of the organization in more depth, to study the conditions of deterioration of the financial situation, to develop more effective measures related to the improvement of the financial situation.

We believe that in teaching process the method of financial indicators is quite efficient, however, it is advisable to use the indicators that may be among priorities in assessing the financial condition of the organization.

The method of financial indicators can be used to assess the financial condition of commercial banks, which is used in banking management to create opportunities during financial and economic crises.

Now the most popular method in economics is the method of economic-mathematical modeling, which also belongs to the methods of financial planning and describes economic processes [Laenko, 2016, 52-55].

When using this method, a connection is established between the financial indicators and the factors that determine it. Communication is expressed through an economic-mathematical model. The economic-mathematical model is a clear mathematical description of the economic process. In this case, the factors that describe

the structure of a particular economic phenomenon are described, the patterns of change. When using this model, equations, graphs, tables are used, only the main factors are included. We may conclude that the quality control of the model and the efficiency check is required to improve the methods in practice.

It should also be noted that complex models that use multiple criteria are usually unclear in practice.

Through economic-mathematical modeling, it is possible to create an automated financial management system [Adamov, 2015, 28].

The use of planning methods can be considered effective only if their principles are observed:

- Principle of unity, which implies that planning should be systematic in nature;
- Principle of coordination of plans of separate subdivisions;
- Principle of participation;
- Principle of flexibility [Laenko, 2016, 52-55].

It should be noted that the use of financial planning methods is separate from marketing research and is based on the production rather than the sales plan.

Starting from the last decade of the 20th century up to day, the problems of planning have become quite complex. Conducted empirical study has clearly shown that in the context of market relations, several possible options for the development of phenomena must be considered and appropriate planned calculations made.

**Conclusion.** The listed methods provide an opportunity to take into account the factors that may affect the activities of the organization, as well as to provide options to prevent the negative impact of these factors on the activities of the organization.

The use of these methods in the course of "Theory of Finance", in our opinion, will significantly increase the level of perception by students, which in turn will help to increase the average grades of students in this course, as well as the acquisition of practical skills.

In order to conduct a comprehensive assessment during teaching, not only the set of traditional methods is used, but also the application of specific approaches in the form of alternative methods.

In this article we have tried to single out the most popular and modern methods, they are quite different and attempt to complement each other.

The use of these methods of financial analysis in the teaching process provides an opportunity to clearly assess the financial condition of enterprises, commercial banks, predict the future, make sound management decisions. As a result of the combined

application of the methods, students acquire the appropriate skills and abilities to work in the field in the future.

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### **The Peculiarities of Application of Analysis Methods in finance theory teaching**

*Key words: qualitative method, quantitative method, economic-mathematical method, financial planning*

The article touches upon the peculiarities of the application of analytical methods in the finance theory teaching. It explores the most common methods and their classification features. Particularly, qualitative methods are discussed, which are based on logical thinking and analyst's professional orientation. The methods listed in the article can be used during the practical trainings of the "Financial theory" course. The article also refers to the classification of quantitative methods and their widespread use, which can play a significant role in the study of methodological bases of financial activities. Since the high level of competition is an inseparable element of a market economy, it is necessary for each economic entity to correctly assess the quality of the enterprise and to prevent bankruptcy. Through qualitative and quantitative methods, students are able to make comparative analyzes and compile tables. The application and combination of these methods makes it possible to apply theoretical knowledge in practice, using statistical data. The most talked about was the method of economic-mathematical modeling which also belongs to the list of financial planning methods and when using this method, a connection is established between the financial indicators and the factors determining it.