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THE ESSENCE AND CURRENT SIGNIFICANCE OF THE ORGANIZATION OF MANAGEMENT ACCOUNTING IN ENTERPRISES

Abstract: This article describes the organization of management accounting in economic entities. The author also developed recommendations for improving management accounting.

Key words: management accounting, budgeting, planning income, cost, operating budget, cost and income budget, net profit, analysis, financial reporting.

Introduction

The result of such economic reforms implemented in our republic is definitely determined by the level of development of enterprises and organizations operating in our economy. Thanks to economic freedom, all currently operating enterprises have moved to the stage of self-management and self-financing. The improvement of production management largely depends on the quality of accounting information that provides information about the funds and resources of the enterprise. Today, accounting, organized at enterprises, is engaged not only in providing information, but also controls the use of funds, prevents theft and unproductive expenses, and actively participates in determining the prospects of the enterprise. The quality of accounting information organized in enterprises is measured by the level of efficiency achieved in the enterprise. It can be seen that the quality of account information and efficiency are inseparable indicators. Where accounting is done correctly, there is efficiency, or in other words, accounting forms the circulatory system of the economy of the enterprise. That's why there is an expression in Western countries: "Accounting is the language of business". The improvement of the accounting system and the increase in the quality of data depend on the accounting policy carried out in enterprises.

Literature Review

When analyzing economic literature, we can see different definitions of accounting policy.

The concept of accounting policy is interpreted by researchers in different ways. The main contradiction in definitions is what content is included in them.

Accounting policy is a set of legally binding documents expressing the application by an economic entity of generally accepted regulations, principles and

methods in the organization of accounting in accordance with its own characteristics.

National Accounting Standard No. 1 “Accounting Policy and Financial Reporting”, “accounting policy is understood as set of the methods accepted by the head of business entity for financial accounting and financial reporting preparation according to their principles and bases”.

IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” notes that “Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements”

Research methodology

Methods such as systematic approach, induction and deduction, abstract-logical thinking, grouping, comparative comparison were used in the research process.

Analysis and results

The main document that regulates accounting in the republic, defines the rules for the formation and preparation of the accounting policy and financial reporting of the economic entity is National Accounting Standard No. 1 “Accounting Policy and Financial Reporting”.

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

In accordance with IAS, an organization is required to select and consistently apply accounting policies for related transactions, other events and conditions.

The selection and application of accounting policies should be guided by the relevant standards and interpretations, as well as explanations and comments on the application of standards issued by the IFRS committee.

In the absence of specific IFRS applicable to transactions, other events or conditions, management, based on its own considerations, based on a conceptual framework, develops accounting policies and ensures their application.

Practitioners often have similar questions. There should be only one answer to this, first of all, the accounting entity itself, accounting staff, financial service, auditors (internal and external).

The accounting policy provides detailed information about which accounts and accounting registers an enterprise uses to keep records of its financial and business operations, by what criteria it recognizes assets, by what methods it

evaluates them and charges depreciation on them, how the inventory and document management system works, and also establishes other rules.

Regulatory documents provide options for asset recognition value criteria, revaluation, and write-off methods in certain situations. Which of these options will be used by the enterprise will be revealed by its accounting policy.

A unified approach to the recognition of assets, liabilities and business operations of an enterprise, adopted in accounting policy, is important for accounting entities with subsidiaries, branches, representative offices and other structural forms on the territory of the republic and abroad. In such situations, the accounting policy of the parent company is binding for all its divisions, since their financial statements are included in the parent company's balance sheet or consolidated balance sheet.

In addition, the accounting policy is necessary for the comparison of the financial indicators of the accounting entities in the financial statements presented for different years.

Regarding the importance of this document, the legal documents stipulate such a procedure that the accounting policy must be approved by the relevant organizational and executive documents of the head of the economic entity - order, directive, etc. In general, the set of accounting policies is approved:

- chart of accounts;
- forms of primary accounting documents used in the formalization of economic transactions for which model forms are not provided for;
- the form of documents for the internal accounting report;
- inventory procedure and inventory timing;
- assessment of assets and liabilities of an enterprise, methods of reflecting financial and economic activities, criteria for the significance of reflecting indicators;
- rules of document circulation and account data processing;
- the order of control of business transactions;
- other necessary rules and norms for organizing accounting, etc.

According to National Accounting Standard No. 1 "Accounting Policy and Financial Reporting", the accounting policy is developed based on the following principles:

- accrual principle;
- principle of double entry accounting;
- principle of continuity;
- principle of monetary valuation of business transactions, assets and liabilities
- principle of credibility;

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- principle of prudence (caution);
 - principle of comparability;
 - principle of neutrality of financial statements;
 - principle of actual valuation of assets and liabilities;
 - the principle of matching income and expenses of the reporting period;
 - principle of clarity;
 - principle of significance;
 - principle of materiality;
 - principle of fair and impartial representation;
 - principle of completeness;
 - principle of consistency;
 - principle of timeliness;
 - principle of objectivity.

According to IAS-8, the accounting policy is based on the principle of consistency.

Consistency is the consistent application of the same accounting policy from one period to the next without change, which increases the usefulness of financial statements by reducing financial analysis and ensuring better comparability of data.

Users of financial statements should be able to compare the company's financial statements for different periods. Users will be able to make the necessary decisions by identifying trends in the company's financial position, financial results and cash flow through comparison.

The organization is required to change its accounting policy when it can access financial statements that reflect reliable or sufficiently relevant information about the impact of transactions, including conditions on the financial condition of the organization, financial results of operations, and cash flows.

According to IFRS, the following actions are not considered a change in accounting policy:

- applying accounting policies to events and transactions that are completely different in content from previously existing events and transactions;

- a new accounting policy applied to events and transactions that did not exist before or that were not significant.

An example of a change in accounting policy:

- the change from FIFO to weighted average method of inventory accounting; or

- change of investment property valuation basis - switching from the actual cost accounting method to the fair value accounting method

Table 1

Comparative analysis of accounting policy and criteria for its selection, requirements for its application and concepts related to cases of changes in accounting policy based on IAS and NAS

	NAS 1	IAS 8
Requirements for the selection and application of accounting policies	When forming the accounting policy of the subject in a specific direction, when organizing, maintaining and reporting accounting, it is necessary to follow the legislation of the Republic of Uzbekistan on accounting	When an IFRS specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the IFRS.
In the absence of an IFRS	In the absence of specific National Accounting Standards, the head of the entity has the right to use his own solutions when developing accounting policies that provide the most useful information to users of the financial statements of the business entity. In the process of applying their own decisions, the head considers: any other information published by the Ministry of Economy and Finance of the Republic of Uzbekistan; criteria for determining, reflecting and measuring assets, liabilities, income and expenses established by the Ministry of Economy and Finance of the Republic of Uzbekistan.	In the absence of an IFRS that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is. These include the basic principles of IFRS. For example, in these judgement, it is necessary to take into account, firstly, relevant information and, secondly, reliable information based on the principles of faithfully, free from bias and completeness
Consistency of accounting policies	Covers the topic of comparability based on the consistency requirements set out in paragraphs 41-43 of the NAS-1.	An entity shall select and apply its accounting policies consistently for similar transactions, other events and conditions, unless an IFRS specifically requires or permits categorisation of items for which different policies may be appropriate
Changes in	The accounting policy does not	An entity shall change an

accounting policies and methods of their application	change during the calendar year. Changes in the accounting policy of an economic entity are allowed in the following cases: Reorganization of the subject; Change of ownership; Changes in the legislation of the Republic of Uzbekistan or the accounting regulatory system	accounting policy only if the change: is required by an IFRS; or results in the financial statements providing reliable and more relevant information When an entity changes an accounting or changes an accounting policy voluntarily, it shall apply the change retrospectively.
Retrospective application of changes in accounting policies	Not available at NAS	When a change in accounting policy is applied retrospectively, the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.
Information disclosure requirements	Not available at NAS	The disclosure requirements are specified in paragraphs 28, 29, and 30 of the standard.

Conclusions and suggestions

Thus, the implementation of the above features allows you to choose and justify an accounting policy acceptable to the enterprise. Therefore, the proposed ideas on the control and analysis of the economic activities of economic entities and the improvement of the accounting system create the possibility of accounting taking into account the specific characteristics of the industry and the national economy.

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