

NEED AND DUTIES OF ACCOUNTING IN BUSINESS ENTITIES

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Abstract: *This article describes the need and tasks of modern accounting in economic entities and employment of the population.*

Keywords: *economic liberalization, market relations, export, competition, local budget, BHMS, cost, product, management accounting, costs.*

In the process of economic liberalization in new Uzbekistan, a wider system of opportunities for the development of private entrepreneurship is being formed. Currently, with the deepening of market relations, this sector is becoming one of the determining factors of economic growth and improvement of the population's well-being. Small business and private entrepreneurship provide employment for a large part of the population, and it appears as a sector producing exportable goods. Accordingly, the task of establishing effective management in small business enterprises, and for this purpose, conducting accounting in them based on modern principles, is becoming urgent. Also, a certain part of private business entities in the form of small businesses will turn into medium and large enterprises, small businesses will positively affect the competitive environment in the country, mainly serve to meet the needs of the low and middle income strata of the population, play a particularly important role in the formation of local budgets' incomes and ensuring employment of the population. That is why the state supports small business and private entrepreneurship in Uzbekistan, and the positive results of this are clearly visible.

Small business entities conduct their economic activities independently. The organizational and legal form of most of them provides for the full responsibility of the business owners for the obligations of the enterprise. Only in enterprises in the form of joint-stock companies or limited liability companies, the economic liability of their owners is limited to the share added to the capital.

Full financial responsibility for the results of the enterprise's activities imposes high demands on the enterprise's management process. Management should be aimed at preserving and increasing the company's property, maintaining and strengthening its position in the market, and increasing the company's income. Another feature of a small business is that there are no intermediate links between managers and employees, and often the management itself also performs functions specific to employees. So, in a small business enterprise, the salary of employees appears as a separate form of enterprise income. As the company's income increases, so does the salary of the employees. The income of the owner of the enterprise is not limited to the profit, but his own salary and the wages of his family members are also considered as income from the enterprise.

Effective management of a small business enterprise should rely on a fast and accurate information base. It is known that economic information is obtained from the external environment (information about the market situation, legal norms, official rules and information on taxes, statistical data, data from stock exchanges and banks, etc.) and from the enterprise itself (first of all, accounting data).

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Accounting plays an active role in the management system and in the execution of management tasks. That is why, in the Law "On Accounting", the responsibility for conducting accounting in economic entities is assigned directly to the head of the enterprise.

The official procedures for accounting in small business enterprises were approved by Order No. 87 of the Ministry of Finance of the Republic of Uzbekistan on November 23, 1999 and No. 20 "On simplified accounting and reporting by small business entities" registered by the Ministry of Justice on January 24, 2000. It is reflected in the national accounting standard (BHMS). According to it, small business enterprises can keep accounting records based on a simplified reporting plan. This standard specifies the list of accounting registers, the form and content of the registers, and the order of their management, which should be used by small business entities in accounting.

There are two aspects of accounting: financial and managerial accounting. The procedures of financial accounting are officially determined by the state, and they are expressed primarily in the Law "On Accounting" and national accounting standards. The results of financial accounting are summarized in financial statements. These reports are submitted to tax authorities representing the interests of the state and are public financial information. Financial statements are essential to running a business, but they are not enough. That's why it is necessary to carry out accounting in the enterprise in a wider and deeper way compared to the requirements of financial accounting. Accounting that provides the necessary information base for enterprise management is called management accounting. This aspect of accounting is determined by the enterprise itself.

An accounting policy should be developed based on the enterprise's need for internal economic information necessary for the development of official financial reports and management of the enterprise. The requirements of the legislation regarding the accounting policy are recorded in BHMS No. 1.

Most of the small business entities have not developed an accounting policy. One of the reasons for this is that the knowledge and skill level of accounting staff cannot meet modern requirements in all cases. Therefore, it is appropriate to develop and recommend the model views of the enterprise's accounting policy for small business entities. Proposals for improving accounting in small business entities and raising it to the level of modern requirements are being advanced in scientific publications. The Ministry of Finance feels the need to generalize these proposals, to develop a model accounting policy for small enterprises, which includes a simplified plan of accounts for small businesses, recommended examples of the most important types of initial documents, the organizational structure of accounting and division of tasks in a small enterprise, and a model scheme for the circulation of documents. . Acceptance of this document as a component of BHMS No. 20 would be justified. Because the above does not mean that the freedom of entrepreneurship is limited, but serves to strengthen financial discipline and financial control in a small business, increases the confidence of creditors and potential investors in a small business entity, and helps to ensure the necessary level of disclosure and transparency of reliable information about the company's activities.

In the development of the accounting policy of small enterprises, special attention is paid to issues within the framework of management accounting. Because without it, the management of the enterprise cannot be raised to the level required by the environment of free economy. Modern enterprise activities are based on careful and continuous budgeting. It is becoming necessary to rely on standard costing in cost accounting. In the management of the enterprise, it is very important to

rationaly set the standards of costs according to the types of products or centers of responsibility, to ensure regular control over compliance with the standards, and to conduct an analysis of the volume of production, costs and benefits. The performance of these tasks is ensured by keeping a management account of the information base. Also, the accounting structure of the enterprise should directly perform these tasks.

It should be noted that the accounting policy of a small business enterprise should provide for the use of normative calculation, absorption-costing and direct-costing systems in the enterprise. Management accounting includes cost accounting, categorization of costs, product costing, budgeting and control of the company's execution. In order to perform these tasks rationally, determining the classification of the cost items that make up the cost, imposing the same requirements on the criteria for the distribution of additional costs, the tables and forms of material and value balances included in the enterprise budget will also lead to the improvement of the accuracy of the decision-making process in small business.

Thus, accounting in a modern small business enterprise should consist of an integrated system of financial accounting and management accounting.

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