

# DETERMINING THE RESPONSIBILITY CENTERS AND BUSINESS PROCESSES OF THE MACHINE TRACTOR FLEET ARE THE MAIN COMPONENTS OF THE METHODOLOGICAL PROVISION OF COST ACCOUNTING

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**Abstract.** *In the article, the determination of responsibility centers and business processes of the car tractor fleet - the basics of methodical provision of cost accounting, cost accounting process, evaluation of the impact of external and internal factors, strategic goals, legal regulation, external and internal stakeholders, elements of a methodical approach to cost accounting: purpose, tasks, method, accounts, comprehensive approach to cost accounting, cost accounting for business processes, by financial responsibility centers, cost accounting in places where costs are incurred, functional groups, segments, taking into account the seasonality factor, combined seasonality, taking into account the seasonality factor In order to implement the integrated methodical approach in machine and tractor fleets, specific features of providing information to the process of cost accounting organization and maintenance were researched.*

**Keywords:** *cost, cost accounting and control, the process of calculating the cost of products, work or services, cost, cost elements and calculation items, segmental accounting and reporting on responsibility centers, internal economic units, integration, rationality, universality, synthetic cost accounting.*

**Introduction.** The economy of the Republic of Uzbekistan is developing through the liberalization of market relations. Management of economic entities requires daily monitoring of economic activities in order to fulfill the tasks related to the indicators of the plan set before him. Such monitoring and management is carried out with the help of economic accounting.

Monitoring is not enough to obtain information in order to manage the economic activity of economic entities and manage the progress of production. It will be necessary to measure the obtained data, that is, to express them in certain quantitative indicators necessary for managers. After that, the role and tasks of cost accounting in order to group information in the direction necessary for managing these indicators, in evaluating economic activity and providing information, are increasing immeasurably. Therefore, identification of responsibility centers and business processes requires improvement of methodical provision of cost accounting in accordance with today's requirements. Based on this, identification of responsibility centers and business processes is a complex system of methodical provision of cost accounting and increase of production efficiency, collective calculation of reserves and objective assessment of the activities of entities through their identification.

The need to organize effective cost accounting for machine tractor fleets is related to the need to develop, implement and control the corporate strategy, improve performance indicators, achieve and maintain cost leadership, predict the behavior of costs in the long term, and minimize risks. will be

Negative effects of external and internal environment. The impact of external factors on the operation of machine tractor fleets cannot be excluded, and the negative impact of internal environmental factors can be minimized, that is, the proposed comprehensive methodological approach to cost accounting is aimed at this.

In the practice of cost accounting, the organization of cost accounting by responsibility centers is widespread.

Responsibility centers mean units of the tractor fleet that ensure the implementation of business processes, the managers of each of which are responsible for the execution of work. Accounting of responsibility centers is the process of collecting, recording, systematizing and presenting the facts of economic life in each responsibility center defined by the entity. They follow a four-component model of responsibility centers, which are represented by a cost center, a profit center, a revenue center, and an investment center. The methodological approach recommended for use is aimed at developing the theory of accounting by cost centers.

**Analysis of literature on the topic:** In the conditions of modernization of the economy, costs have a special place in increasing production efficiency. Costs are the monetary expression of expenses related to the production of products, the sale of goods, the performance of works and the provision of services. Expenditure is the expenditure on the purchase of material resources, which, according to the concept of income and expenditure, should generate income in the same period. Expenses are defined in the national standards as follows: "Expenses are the reduction of economic resources as a result of the reduction or consumption of assets, as well as the emergence of obligations as a result of the usual activity of an economic entity related to obtaining income" [1].

The structure of costs is defined in the "Regulation on the structure of production and sale of products (works and services) and the procedure for forming financial results" in the Republic of Uzbekistan.

According to this Regulation, expenses are divided into two groups:

- Costs included in the cost of the product;
- Costs not included in the cost of the product.
- Expenses for financial activities
- Contingent damages are taken into account.

Defines the single methodological basis for determining the costs of production and sale of products (works, services) of business entities-legal entities, as well as individuals engaged in business activities without being a legal entity[2].

Cost centers of economic entities are represented by units directly related to product production, service provision, work performance, as well as administrative and management units that control costs (directorate, finance department, accounting, etc.).

In addition, it is important to organize accounting by profit and investment centers within the framework of research, which also allows controlling costs. The profit center is not an object of research because it is not focused on cost control.

O. G. Based on the research of Maslova [3], the conceptual basis of the distribution of responsibility centers is focused not only on operational, but also on strategic management.

Table 1

**Conceptual basis for allocation of responsibility centers for cost accounting in the machine tractor fleet**

<b>Evaluation criteria</b>	<b>Cost center</b>	<b>Profit center</b>	<b>Investment center</b>
Purpose of creation	Implementation of various types of accounting functions in relation to costs	Implementation of various types of accounting functions in relation to financial results	Implementation of various types of accounting functions in relation to investments
Tasks	<ol style="list-style-type: none"> <li>1. Ensuring planning, accounting, control, analysis of expenses, regulation of their value.</li> <li>2. Minimize costs by looking for reserves to reduce them.</li> <li>3. Update the indicators of material consumption.</li> <li>4. Evaluation of the influence of external and internal factors forming costs.</li> <li>5. Coordination of the work of the center within the framework of the strategy of the economic entity</li> </ol>	<ol style="list-style-type: none"> <li>1. Planning, accounting of activity results, provide control, analysis.</li> <li>2. Finding ways to reduce costs and increase income.</li> <li>3. Evaluation of the influence of external and internal environmental factors on performance results.</li> <li>4. Coordination of the work of the center within the strategy of the economic entity</li> </ol>	<ol style="list-style-type: none"> <li>1. Planning, accounting, control, analysis of investments, providing regulation of their value.</li> <li>2. To improve the efficiency of the use of investments.</li> <li>3. Ensuring maximum profitability of investments.</li> <li>4. Coordination of the work of the center within the framework of the strategy of the economic entity.</li> </ol>
Responsibility of the manager level	For expenses incurred	For income received and expenses incurred	For income, expenses, investments
Monitored indicators	Expenses by responsibility centers, types of activities	Incomes and expenses by divisions of the enterprise, lines of activity; profit; damage; profitability; cash flows	Revenues and expenses, investments, return on investments, returns, net present value for the entire organization and structural units
Object of control	Expenses	Income and expenses	Incomes, expenses, investments
Асосий афзалликлари	-formation of cost information for multi-level management decision-making by responsibility centers and cost centers; -predicting the movement of costs;	- formation of financial results of activity of responsibility centers and information on the value of expenses determining the types of activities for making	- current and strategic analysis of investments, in particular from the point of view of costs - assessment of investment profitability; - assessment of the activity of investment centers

	-current and strategic analysis of costs and deviations from norms; - evaluating the results of cost centers within the framework of business strategy	multi-level management decisions; - forecasting the value of costs affecting profits and losses; - current and strategic profit and loss analysis; - assessment of profit centers within the framework of business strategy - formation of information on investment costs for making multi-level management decisions;	
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Source: author's development

As can be seen from the table, the purpose of creating responsibility centers is to implement various types of accounting functions (financial, tax, traditional and strategic management) in relation to costs.

The organization of accounting by responsibility centers makes it possible to create a basis for the formation of an appropriate database that supports the management decision-making process.

At the same time, it should be noted that a complex methodological approach to the study of expenses allows to identify additional directions for collecting information based on the current needs of top managers.

In order to implement a holistic methodological approach within the research work, responsibility centers should be connected with cost centers.

Researchers have not come to a consensus on defining the relationship between responsibility centers and cost centers.

Thus, according to the first group of research scientists, in particular, V.B. Ivashkevich, T. P. Karpova, the responsibility center is a broader concept that can combine several cost centers [4, 5].

Another position M. A. Vakhrushina represents, considers cost accounting by origin and responsibility centers as different areas of production cost accounting [6].

B.A. Khasanov said that responsibility centers are considered an important object in the management accounting system and are a new psychological interpretation aimed at organizing the activities of management staff. Its main purpose is to help managers manage themselves more than control.

The main purpose of accounting by responsibility centers in business entities is to summarize information about operating expenses and income separately and assign existing deviations to departments" [7].

A.I.Alikulov stated that the process of accounting for production costs can be seen as two interrelated and complementary stages: 1) accounting for production objects and costs by the place

of generation; 2) product cost calculation. Production cost accounting: includes the grouping and control of costs by cost elements and items. It includes the following: -grouping of costs by the cross-section of production facilities and their places of occurrence; -grouping of costs by cost calculation items and related cost estimate items; - preliminary distribution of indirect costs by production cost accounting objects; - taking into account and controlling the use of financial, material and labor resources for production [8].

According to A.Sh. Toshpulatov, it is appropriate to organize the management system of expenses in the activities of farms, in turn, the points of their appearance, the purposes for which they are directed, the means of expenses and the implementation of the control of these expenses [9].

N.B. According to Abdusalomova, the first group of the research work includes budgets for the types of business processes that carry out the financial and economic activities of the enterprise or the types of resources consumed by all structural divisions of the economic entity; [10].

The first group relies on the position of scientists, according to which one or more cost centers can be allocated within one responsibility center organized in accordance with the organizational structure.

a model of formation of responsibility centers and cost centers in accordance with the organizational structure of the business entity in accordance with business processes is proposed.

At the same time, the organizational structure means the structural divisions (departments, sections, departments) and the relationships between them specified in the organizational documents of the business entity.

M. Hammer and J. Champi defines a business process as "a collection of different activities that use one or more types of resources as 'inputs' and that result in a product of value to the consumer." created "at the exit" [11].

According to T. Davenport, business, taking the form of a process, has become the main aspect of the innovation process, which means revolutionary changes in the future. The process itself T. Defined by Davenport as a specially ordered set of activities with defined beginnings and ends and well-defined inputs and outputs in time and space: activity structure [12].

A business process in the work of the Ericsson Quality Institute is interpreted as a logically connected, repetitive chain of actions, as a result of which the organization's resources are used to process an object (physical or virtual). outcomes or products to satisfy internal or external consumers [13].

Based on the opinions of local and foreign scientists [14], a business process means a set of activities that are logically related, inseparable, have a defined beginning and end, and are accompanied by the orderly consumption of resources, to ensure the continuous operation of the enterprise, to create a product for the consumer (service, doing things).

V. A. From Manyeva's point of view, business processes are divided into two groups: main and auxiliary.

The first group includes innovative, investment, operational business processes and after-sales service business processes.

The second group includes financial and accounting management, information technology management, personnel development and personnel management, implementation of environmental protection programs, external relations management, etc. [14].

**Research methodology:** Determination of responsibility centers and business processes - study of existing scientific research on the nature and foundations of the main components of the methodical provision of cost accounting, the use of statistical data and economic comparison and analysis, logical reasoning, scientific abstraction, grouping of information, analysis and synthesis, induction and widely used deduction methods.

**Analysis and results:** Analyzing the above, business processes for accounting are divided into the following groups: main, auxiliary.

The main business processes ensure the implementation of the main activities of the economic entity and directly affect the results of such activities. Business process support affects the main business processes, helps in their implementation. This grouping of business processes is typical for organizations in the manufacturing and non-manufacturing sectors.

The scientific study of the structure of business processes made it possible to determine that business processes are limited to the strategy and tactics of the subject and do not cover the elements of state policy in the field of strategic development of the relevant business, sectors or types of economic activity that are not provided with a legal mechanism. This leads to a mismatch between the entity's strategy and the point of view of industrial development from the state's position.

In order to eliminate the disparity shown in our research, it is proposed to separate business processes from the main and supporting strategically oriented business processes, which are understood as business processes, the basis for their implementation is the strategy of the entity, and according to the resulting results, matching the main and supporting business processes.

The following arguments are presented to support the proposed agribusiness process group.

First, in relation to the first two groups, individual strategically oriented business processes are of decisive importance, because they determine the directions of development of the business entity in the short, medium and long term.

Secondly, strategically oriented business processes form competitive advantages of the business entity in the following areas: technology; products/works/services; employees.

Thirdly, the absence of strategically oriented business processes does not lead to the instability of the economic entity, but it creates the necessary conditions for the stagnation of its development.

Fourth, the duration of implementation of individual strategic business processes is determined by both short-term and long-term nature, as it depends on the priority goals and tasks facing the management in a certain period. The continuity principle does not apply to such business processes.

Based on the study, the main business processes include: delivery, production, service, performance, sales, after-sales service. The composition of business processes of service industry enterprises is fundamentally different from the business processes of manufacturing enterprises.

This is due to the following features:

- the work performed and the agricultural services rendered do not have material expression (there are no business processes related to the storage and maintenance of the produced assets);
- the moment of consumption of agroservice corresponds to the time of its provision ("sales", "after-sales service" processes do not exist).

It is desirable to include corporate governance, accounting (accounting, tax, traditional management, strategic management, etc.), control and planning as supporting business processes.

Since agricultural work is thematic, it is proposed to separate the research activity and the process of ensuring security, which is one of the priorities of the state policy in the field of strategic development, as part of strategically oriented business processes.

One of the factors of the effectiveness of business processes is the nature of their implementation in terms of structured connections and seasonality (Fig. 1).



**Figure 1 – the relationship between business processes and the nature of their implementation in the car tractor fleet**

Source: compiled by the author

The diagram of the relationship between the agribusiness processes above emphasizes their interdependence, which involves changing one group of business processes under the influence of another. As mentioned above, it is proposed to distinguish the business process "Research activity" as part of strategically oriented business processes within the framework of dissertation research, which includes:

- marketing research (performed in relation to certain types of products, agricultural services, performed works, assets). In our research work, we follow the definition developed by the American Marketing Association, according to which "marketing is the process of planning and implementing, setting prices, promoting and implementing ideas, goods and services through exchange that satisfy the goals of individuals and organizations"[15].

Therefore, marketing research includes research on consumer behavior and preferences (including potential), supply and demand, markets for alternative products, jobs, services, pricing, customer satisfaction, advertising and promotion of products, jobs.

Services include market research for the purpose of purchasing current assets - scientific research that includes research in the field of environmental improvement, technologies used, methods of organizing technological processes, as well as management processes.

- logistics studies covering research in the field of logistics supply and marketing schemes;
- other studies of the external environment (performed in order to implement economic activities of the economic entity).

Covers the study of external stakeholders, economic, political and other trends.

"Research" is designed to generate financial and non-financial information to ensure the achievement of business process objectives.

In addition, it is proposed to highlight the business process of "Ensuring safety" as a separate direction of strategically oriented business processes in the agribusiness process system in the tractor fleet proposed in our research.

The "Ensure Security" business process should cover the following:

- Ensuring ecological security, which involves taking preventive measures to ensure ecological security, measures to eliminate damage to the environment, as well as measures to restore resources after environmental damage □ ensuring economic security, including preventive measures to ensure economic security implementation of measures, measures to eliminate economic damage, as well as measures to restore resources after economic damage.

- includes labor protection, safety of facilities and health of employees, implementation of preventive measures for labor protection, safety of facilities and health of employees, measures to eliminate the consequences of damage to health of facilities and employees; as well as measures to restore the health and well-being of employees after damage

**Conclusions and suggestions:** Therefore, in order to organize and maintain cost accounting for business processes, responsibility centers, and cost centers in machine tractor fleets, which are considered as one of the entities providing services to agriculture, the following sequence should be observed when forming the financial structure of the machine tractor fleet:

1. defining business processes that correspond to the characteristics of the economic activity of the car tractor fleet.
2. Separation within the business processes of the structural divisions (responsibility centers) of the machine tractor fleet, which ensure the implementation of these business processes.
3. Separate costs of the places of origin within the responsibility centers.

The organization of accounting by centers of responsibility separated according to business processes increases the efficiency of strategically oriented processes, creates a basis for reengineering business processes, and also provides integration with modern methods and tools used in accounting and management.

The requirement to create centers of responsibility corresponding to the organizational structure of the machine tractor fleet arises due to the following reasons. First, there is the need to generate information about the indicators of each unit of the car tractor fleet, as well as the ability to compare the unit's performance with the "reference" value, and then identify and analyze the causes of deviations. The "reference" value can be the unit's most efficient operating period or economically based calculations of the maximum efficiency of each unit, which include:

- absence of interruption due to internal and external reasons;
- operation of equipment at maximum production capacity;
- high labor productivity and the performance of employees with a single maximum workload of working hours.

Secondly, the prevention of high labor intensity of the work related to the selection of the processes (work and services) performed by the car tractor fleets, the operation complexes, and the collection of information about the centers of the car tractor fleet, which are integrated into one of the units and responsibility centers, and then determined.

Thirdly, the absence of problems related to the selection of a manager who is responsible for the work of a certain responsibility center of the car tractor fleet. The manager is appointed as the head of the department, for which the specified work is directly official duties.



If the decision-making manager is assigned only by the business process without additional managers assigned by the responsibility centers, the following problems may arise:

- difficulty in organizing mutual cooperation and monitoring the work of employees of different departments;
- double subordination of the department's employees directly to the head of the department, which leads to a decrease in the powers of the head;
- lack of interest of the head in the work of the department in connection with the transfer of responsibility for certain processes to another person.

Characteristics of cost accounting for management purposes by responsibility centers are presented in Table 2.

**Table 2**

**Features of the organization of cost accounting by responsibility centers for the purposes of current and strategic management of the machine tractor fleet**

<b>Evaluation criteria</b>	<b>Costs by responsibility centers features of accounting</b>	
	<b>Current management for its purposes</b>	<b>Strategic management for its purposes</b>
Purpose	Collecting, summarizing, analyzing information on the costs and results of the activity of responsibility centers, identifying the persons responsible for deviations and deviations from the norms.	Collecting, summarizing, analyzing strategic priority information for the management about the costs and results of the activity of responsibility centers, identifying deviations from norms and the culprits in individuals, and evaluating the work of the centers in accordance with the strategy.
Change accounting objects	Minimum permanent account objects (expenses, financial results, etc.)	Systematic accounting objects are determined by strategic goals
Calculation methods	Accounting traditional methods	Traditional accounting methods using modern methods (ABC, life cycle costing, SCP, etc.)
The type of indicators produced by responsibility centers	Mainly financial indicators	Equivalent assessment of financial and non-financial indicators
Evaluation factors	Focus on evaluating internal factors affecting the work of responsibility centers	Assessment of both internal and external factors affecting the performance of responsibility centers
The level of management decisions made	Operational, tactical management decisions	Strategic management decisions

Source: compiled by the author

In our opinion, the organization of cost accounting proposed in the study by centers of responsibility, relevant structural units in machine tractor fleets ensures the implementation of business processes and creates the basis for:

- efficient organization of cost accounting;
- formation of a database of expenses required for management;
- formation of an appropriate database on the costs of business processes for their further management;
- for the purpose of evaluating the efficiency of each, forming the appropriate database on the expenses of the structural divisions of the organization;
- assessment of the effectiveness of the activity of responsibility centers;
- to increase the effectiveness of monitoring the work of responsibility centers;
- study of cause-and-effect relationships in evaluating the impact of external and internal factors on the result of the activity of the responsibility center.

In addition, the separation of responsibility centers in accordance with the organizational structure within the business processes of the tractor fleet provides a basis for accounting for activity costs.

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