

THE MAIN DIRECTIONS OF IMPROVING INCOME ACCOUNTING

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Abstract. *The article discusses the main directions of improving income accounting and reporting, improving and harmonizing regulatory legal acts on income accounting and reporting in accordance with international standards, as well as harmonizing reporting with conceptual provisions based on international standards. Recommendations and assumptions are given on the topic.*

Keywords: *income, statement of financial results, conceptual framework, revenue, resolution, law, products (goods, works and services), international financial accounting standards, buyer, contract.*

Introduction. However, these achievements do not mean that the country has made a decision on a full transition to IFRS. At the same time, it should be noted that based on the strategic objectives, there are a number of issues that need to be addressed in order to improve the accounting of income and profits in accordance with the requirements of international investors. These include the recognition and widespread implementation of IFRS on income, abandoning old methods and techniques, using modern conditions for generating income, developing, measuring and reporting income, using the most advanced recognition methods, recognizing distributed profits among foreign investors and improving accounting methodology. content and structure of the statement of financial results, recognition and reflection of other comprehensive income, improvement of the content of the accounts of income and profit accounting, harmonization of the formation of final financial results and accounting in accordance with international standards, achieving transparency and comparability of the report, transformation, transformation and consolidation issues and drawing up reports. To ensure the effective implementation of these tasks, scientific research is needed to radically improve the methodology for recording income and profits and reporting financial results in accordance with the requirements of international standards for foreign investors and other information users. In the work of scientists of our country, methodological issues of recognition, assessment of income, determination of profit or losses and reflection in the report were investigated. A.Z.Avlukulov [2] in his scientific work, it was proposed to apply a pragmatic concept in expanding information coverage in terms of indicators of financial results, and a three-stage algorithm for reporting control was developed. U.To laev [3] investigated the issues of improving the theoretical, normative and methodological aspects of the formation of financial results. S.N.Tashnazarov [4] proposed a form of profit and loss as well as of other comprehensive income statement in accordance with international standards. M.J.Temirkhanova [5] in her scientific article analyzed the ratio between income from services in tourism enterprises, the functions of the profit category and the profit, receipts and growth of assets of the enterprise. N.Alimova [6] investigated the issues of improving the schetz system, which takes into account the income received from the services provided in the hotel rooms. R.Hasanova [7] developed proposals to improve the financial results report. Although the research of the authors is of

significant scientific and practical importance, but in these works, the issues of coordinating income and profit accounting with the requirements of international standards, recognizing income (profit), evaluating, compiling and presenting a profit and loss report have not been adequately investigated. In Paragraph 2 of the regulation on Russian accounting (pbu 9/99), the following definition of income is given: "income is an increase in the economic profit caused by the receipt of assets (cash or other property), which leads to an increase in the capital of the organization, and (or) the fading of obligations." Its industry-specific sources provide the following definitions: "the income of an organization is money and non – money earned by an enterprise for carrying out its production, sales, financial and investment activities " . This source emphasizes that in accounting, depending on the nature and conditions of receipt, income from the usual types of activities and other income differ from each other. In turn, income from the usual types of activities included: proceeds from the sale of goods, payments for work performed and services rendered, receivables, licence payments, rent payments and royalties. It is noted that other comprehensive income group includes the profit received by the enterprise as a result of joint activities, accounts payable that have expired, and other types of income.

In the study of income and expense accounting in sources, the following parts are distinguished: "1) What is included in the income and expenses of the enterprise in accounting; 2) income and expenses from the point of view of taxation; 3) Principles for accounting for income and expenses of the organization 4) algorithm of accounting of income and expenses of the company; 5) program for accounting of income and expenses." A group of foreign scientists (Huifa Chen Qingliang Tang, Yihong Jiang, Zhijun Lin) [11] studied the influence of the rules of the standard on income on the increase in the quality of accounting, and noted that compliance with the rules is the basis for the formation of quality information on income. Based on the tasks set in these decrees and resolutions, active implementation of IFRS and International Standards of Audit activities in the practice of organizations operating in Uzbekistan, coordination of accounting and audit disciplines in the higher education system to IFRS and International Standards of Audit activities, accreditation of science programs, international certification of professors and practice staff are carried out. The study and implementation of standards requires a special approach to each of them. A special place is occupied by the topic of income accounting, since the Coordination of income to international standards also includes the organization of other processes on the basis of IFRS. As a result of income research, recognition of receipts under contracts and reflection in financial statements, improvement of the methodology for calculating profit, distribution of profit has been achieved. But research on the account of income in our country was carried out mainly within the framework of national regulatory legal acts. Today, the rules regarding the recognition of income in our national standards do not meet international requirements. Many of them were based on the rules that were used in world practice in the 70s and 80s. World experiences, advanced foreign experiences have not been sufficiently studied. It is advisable to introduce them in stages, purposefully and extensively. The conceptual framework reflected the purpose of the financial report in the new edition of muzmunan. According to him, "the purpose of compiling a financial report is to provide users with information on assets, liabilities, capital, income and expenses that are useful to the company in assessing future net economic receipts and management's ability to use the company's economic resources" .

Research methodology. Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

Analysis and results. The main principle of accounting for income is the calculation method. O.V.Soloveva revealed the essence of this principle as follows: "in accounting according to the method of calculating income, the effectiveness of operations (other phenomena and circumstances) associated with the economic resrs of the enterprise and their applications is reflected when this effect occurred, despite the fact that the receipt and payment of funds associated with it is carried out in other periods" [13] These definitions and feedback from scientists suggest a new approach to income approaches, as well as accounting in the improvement of regulatory legal acts. Now let's try to analyze the range of information reflected in the "report on financial results"introduced in practice, their naming, indicators of financial results and the state of their calculation procedures today, to what extent it complies with international requirements (Table 1).

Table 1

Report of the new road JSC enterprise on financial results for 2020[1] (thousand soums)

Name of indicators	LLi ne cod e	At this time of last year		During the reporting period	
		Revenues (profit)	Costs (damage)	Revenues (profit)	Costs (damage)
1	2	3	4	5	6
Proceeds from the sale of products (goods, works and services)	010	85735447,5	X	100987338,9	X
Cost of goods sold (goods, work and services)	020	X	65693825,1	X	68261108,0
Gross profit of sales of products (goods, work and services) (010-020)	030	20041622,5		32726230.9	
Period costs, total (050+060+070+080), including:	040	X	17409411,3	X	18726064,2
Selling costs	050	X	1035290,6	X	1011860,7
Administrative expenses	060	X	1321484,7	X	1486125,9
Other operating costs	070	X	15052636	X	16226077,6
Expenses for the reporting period, which in the future will be deducted from the taxable base	080	X		X	
Other incomes of the main activity	090	551800,5		2120524,8	X
Benefits (harms) of basic activity (030-040+090)	100	3184011,7		16120691,5	
Income of financial activity, total (120+130+140+150+160)	110	8014778,6	X	1206206,8	X
Income in the form of dividends	120	480,1	X	0	X

Income in the form of interest	130	20762,3	X	0	X
Income from long-term rent (financial leasing)	140		X		X
Earnings from exchange rate difference	150	7993536,2	X	1206206,0	X
Other income of financial activity	160		X		X
Expenses on financial activity, total (180+190+200+210)	170	X	7793233,0	X	1171350,5
Costs in the form of interest	180	X		X	354341,5
Costs in the form of interest on long-term rent (financial leasing)	190	X		X	
Losses from exchange rate difference	200	X	7793233,0	X	817009,0
Other expenses for financial activities	210	X		X	
Benefits (harms)of universal activity (100+110-170)	220	3405557,3		16155547,8	
Emergency benefits and harms	230	14598320,5			
Profit (loss)until the payment of profit tax	240	18003877,8		16155547,8	
Profit tax	250	X	1464056,2	X	2529312,5
Taxes and fees other than profits	260	X	1321514,0	X	
Net profit (loss)of the reporting period	270	15218305,6		13626235,3	

This report was developed in accordance with the requirements of the regulation" on the composition of costs for the production and sale of products (works, services)and the procedure for the formation of financial results " [14]. This report must be coordinated with conceptual regulations [15]. Based on these above facts, we can cite our conclusions and suggestions as follows: First, line 010 was called "proceeds from the sale of products (goods, work and services)." Determination of this proceeds should be coordinated with the standard of the IFRS No. 15 "receipts for contracts with buyers". In order to coordinate with international experiments, this indicator should be a net profit, that is, it is required to subtract from the proceeds discounts provided to customers, the value of products (goods, work and services)returned from buyers, as well as the price.

Secondly, after determining the gross profit of the company, we think that it is also necessary to include a profit indicator called "operational profit". This indicator is found by subtracting operational costs from gross profit, that is, the costs of the period. Operational profit characterizes the results of the main activities of enterprises. The indicator "expenses for the

reporting period, which will be deducted from the future taxable base", reflected in line 080, has been canceled, therefore, this indicator must be excluded from the reporting form. Line 090 in the form of the current report is called the indicator "other incomes of the main activity", and the composition does not meet the requirements of international standards. Analyzing its composition, it is more partially consistent with the content of other revenues of the international standard. Therefore, we think that the name of this indicator should be reduced to "other income not related to the activities of the custom" or "other income", which should be reduced to the lines in the next stages of the report.

Thirdly, after determining the operational profit, it is necessary to determine the indicator "profit (loss) from its usual activity or "profit from the main activity". For this purpose, it is required to add royalties, dividends, interest, financial rent receipts to the operating profit, and subtract interest-shaped expenses for interest-shaped expenses, long-term rent (financial leasing). Fourth, at the next stage, it is required to determine the indicator of profit (loss) until the payment of tax. At this stage, the result is determined on the main income of the Enterprise, Other income, as well as the main expenses and other expenses. From the usual activity of this intermediate indicator, a positive difference (other income – other expenses, respectively) is added to the profit (loss) on other income. A negative difference is subtracted if there is a negative difference between other income and other expenses in the corresponding balance. When "other income" on international conceptual grounds is reflected in the profit and loss statement, they are usually required to be disclosed under each individual article, since information about them is considered useful in making economic decisions. We offer to include these indicators in the report on financial results. They are considered to be appropriate to reflect on the report the profit or loss left after deducting the costs from the income of the relevant substances, and not as a separate income and a separate expense item.

Fifth, in the current form, line 110 is called "income from financial activities", and lines 120-160 are allocated for the structure of these incomes. The composition and naming of these revenues does not correspond to the changes in the financial market of today's world economy. Revenues from financial activities are being formed as the main income of many companies. Therefore, the full coordination of income from financial activities to international standards is an urgent issue on the agenda. In the same way, it is also considered appropriate to name and coordinate the composition of substances up to line 170-210, allocated for expenses in financial activities to the international standard.

Sixth, the indicator of the benefits (harms) of nationwide activity (100+110-170) is not recorded in international standards. As a result of the studies, it was found that the indicators in this naming were not recorded from international sources, in authoritative textbooks. Therefore, it is necessary to remove this indicator from the report.

Seventh, it is necessary to reflect the results of unfinished activities and completed activities, separating them from each other. Therefore, it is considered appropriate to include in the reporting form substances that reflect the results of the completed activity. In addition, after determining the net profit, it is necessary to enter lines that reflect other generalized income.

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