

ORGANIZATION OF ACCOUNTING AND FINANCIAL REPORTING IN CONSTRUCTION ENTERPRISES ON THE BASIS OF IFRS IMPROVEMENT

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Abstract: In this article, the author explained in detail the organization of accounting in construction enterprises, the main purpose of cost management accounting in the accounting system. Also, taking into account the importance of the problem of cost management within the construction enterprise, a cost management system in accounting is proposed, and in order to reasonably reduce costs, the essence of an effective cost management system in construction enterprises is shown.

Keywords: cost accounting, cost of production, cost management, purpose of cost accounting.

Introduction

The construction industry serves as a fundamental pillar in the advancement of national economies, playing a critical role in fostering sustainable development and economic diversification. It not only facilitates the creation and enhancement of physical infrastructure but also acts as a catalyst for attracting real investments across a wide range of economic sectors. Through its network of specialized enterprises, the construction sector undertakes the planning, execution, and management of key activities such as the construction of new facilities, commissioning of operational systems, modernization of outdated infrastructure, as well as the reconstruction, expansion, and maintenance of existing assets.

Construction enterprises represent a significant component of the accounting system, functioning as economically independent entities operating on the principles of self-financing. These organizations cover their operational expenses through internally generated revenues and are oriented toward achieving profitability. As such, they are regarded as full-fledged economic units within the broader financial system. The process of rapid changes and development in the human community means that a new stage of fundamental reforms has begun in all areas, including accounting. Even so, in our opinion, the need to step-by-step abandon the traditional system of national accounting,

which is essentially covered in the national shell, from the point of view of today's demand, and to move to a fundamentally new accounting system, provides foreign investors with the necessary information. It is explained that it is a vital necessity to provide and expand access to international financial markets, as well as to train accounting and auditing specialists according to international standards.

Most importantly, the adoption of IFRS allows for a more objective and transparent representation of a company's financial condition and operational potential compared to national accounting standards. This improved transparency helps stakeholders gain a clearer understanding of the actual business performance, risks, and opportunities, thus fostering better-informed decision-making and contributing to the sustainable development of the enterprise.

Literature review

International standards of financial reporting are a set of documents that regulate the rules for preparing financial statements necessary for external users to make economic decisions about the company. An accounting standard is a document that defines the requirements for accounting, as well as acceptable methods of accounting.

In particular, ABGeneralova [2] "The idea of standardization of accounting processes is being implemented by the Committee of International Financial Reporting through the development and publication of international financial reports. The essence of this approach is to develop a single set of standards that can be used in any country in any situation, which leads to the abandonment of national standards. It is these ideas that correspond to the process of transferring the accounting system to MHSS in our republic.

According to PRProskurovskaya [3], the implementation of uniform standards by itself makes national standards lose their importance. A consistent, full application of high-quality ISMS covering all aspects of accounting and reporting provides the necessary transparency of financial reporting for all potential users. Each standard contains a comprehensive list of information that must be disclosed in financial statements, along with classification and measurement issues. The reliability and transparency of information is determined by the readiness of those preparing the report to strictly comply with the established standards. IFRS are not fixed guidelines, although they are generally accepted, their priority in the preparation and disclosure of financial statements is not considered mandatory, but rather is focused on voluntary use.

Analysis and results

In construction enterprises, like other economic entities, the final stage of the accounting process is the preparation of financial and statistical reports. These reports are

drawn up in our republic in units of one thousand soums in the national currency. In accordance with the Law on Accounting (Article 16), the financial report of construction enterprises includes:

- balance sheet;
- report on financial results;
- report on the movement of fixed assets;
- statement of cash flows;
- report on private equity;
- comments, calculations and explanations.

Construction enterprises are allowed to compile and present financial statements in a condensed form. These condensed financial statements include the balance sheet, the statement of financial results and the notes, calculations and explanations.

Construction works performed in construction enterprises according to contractual agreements constitute their main production. Production costs are the cost of completed construction works.

The structure of the classification, groups and specific items of expenses included in the cost of construction works was approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 of February 5, 1999

It should be in accordance with the "Regulation on the composition of the costs of development and sale of products (work, services) and the procedure for the formation of financial results".[3] According to this regulation, the main production costs included in the cost of construction work are divided into direct and indirect (overhead) costs. These types of costs are divided into five groups according to their economic nature and include the following cost items (Table 1).

Table 1

Basic production costs included in the cost of construction work¹

Cost group	Cost items	Primary documents and account registers
Direct material costs	Building materials, semi-finished products and products, fuel and lubricants, household inventories and other materials directly used in construction work.	<ul style="list-style-type: none"> • Material report (M-19) • Material consumption report (M-29) s. 10 log-order

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Direct wages	Basic wages and bonuses for members of construction crews who directly carried out construction work	<ul style="list-style-type: none"> • Narayads • Tables • Billing records • 10-s journal-order
Directly from the wage fund social security contributions	Contributions to social insurance from the wage fund of construction crew members who directly carried out construction work	<ul style="list-style-type: none"> • Socialinsurance deduction calculation 10-s log-order
Depreciation allowances	Estimated depreciation on fixed assets, intangible assets directly involved in construction work amount	<ul style="list-style-type: none"> • Calculation of depreciation • 10-magazine-order
Other production costs (indirect overhead costs)	1. Variance in the cost of materials carried over to basic manufacturing costs 2. Various services included in the main production costs (design, certification and transport services, gas, water and electricity supply, repairs and other services) 3. Normal losses included in the main production costs 4. The costs of auxiliary production and general production carried out to the main production costs 5. The costs of the future period written off to the main production costs 6. Other production costs	<ul style="list-style-type: none"> • Invoices • Documents • Accounting books • 10-s journal-order • Other documents and registers

The synthetic calculation of the main production costs in construction enterprises is carried out in the 2010 "Main production" account. Within this account, separate analytical accounts are opened for each construction object expense account[5].

Income from construction works is one of the main sources of profit in construction companies. In accordance with BHMS No. 2 of our Republic "Income from main economic activities", in order to recognize and reflect the income from construction works in the accounting, they must meet the following conditions[4]: first, the construction company has the right to own the income. to be confirmed by relevant documents testifying that it has been handed over to customers; secondly, the amount of income to be received is clear;

thirdly, there is full confidence that the income from the completed works will increase the assets of the construction company or decrease its liabilities; fourthly, the customer's unconditional confirmation of the amount of the obligation to the contractor for the construction work received.

It is recommended to classify expenses in two different ways in the reports prepared according to the requirements of the international standard: according to the nature of the expenses and their assignment. According to the nature of expenses, they are classified as depreciation, wages, transportation expenses and other expenses. According to the assignment, the costs are classified according to their functions and divided into cost costs, administrative costs, sales costs, etc. [6].

In the national standard, they are classified only by appointment. According to the requirements of the international standard, it will be possible to more clearly express the weight of the types of expenses in the structure of financial results. Therefore, the international standard considers it important to classify expenses according to their nature, the classification of expenses according to their assignment should be disclosed as additional information[7].

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Conclusions and suggestions

As a general conclusion from the information in the above tables, it should be noted that there are many differences in the structure and content of reports on national and international standards. The method of formation of income and expenses in joint-stock companies is directly related to the composition and content of the report items prepared by them. construction in accordance with the standards of international financial reporting standard #1 (IAS) "Presentation of financial statements", international financial reporting standard #33(IAS) "Earnings per share", international financial reporting standard #2 (IFRS) in construction enterprises includes issues such as statements of financial condition and gross income of enterprises, share payments, distribution of net profit.

Thus, the form of the gross income statement, prepared in accordance with international standards of financial reporting and national accounting standards, is an important source of forming indicators of financial results of construction enterprises. This report is prepared based on the principles of the ratio between the received income groups and the corresponding expense groups, which are classified according to the sources of income.

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