



PECULIARITIES OF THE ORGANIZATION OF THE ACCOUNT OF PRODUCTION COSTS

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Abstract: The article examines the calculation of production costs in economic entities. In particular, the essence of the calculation of production costs and the main aspects of organization were systematically studied. Analysis of the composition, structure and dynamics of costs by element, as well as directions of calculation of production costs were studied.

Keywords: accounting, audit, economic analysis, financial analysis, production costs, analysis of production costs, structure of costs, system of regulatory legal bases of organization of production accounting, production material costs, business plan analysis.

Introduction

Effective use of financial, material and labor resources to ensure the stable operation of enterprises in the conditions of economic development becomes an urgent issue. The main goal of solving these tasks is to reduce the cost of the manufactured product, improve its quality, and increase its competitiveness in the commodity market. In order to increase production efficiency in enterprises and successfully continue their activities, it is also important to correctly organize the calculation of production costs and establish a scientifically based calculation of the cost of products.

Decision No. PQ-4611 of the President of the Republic of Uzbekistan dated February 24, 2020 "On additional measures for transition to international standards of financial reporting" [2] by accelerating the transition to international standards of financial reporting, providing foreign investors with the necessary information environment and international In order to expand access to financial markets, as well as to improve the system of training accounting and auditing specialists according to international standards, joint-stock companies, commercial banks, insurance organizations, from January 1, 2021, accounting based on International Financial Reporting Standards (IFRS) and from the end of 2021, it is decided to prepare financial statements based on International Financial Reporting Standards (IFRS). [2] Expenses are a decrease in assets or an increase in liabilities during the reporting period. [3]

The basis of the regulatory legal basis of production accounting is the Law of the Republic of Uzbekistan "On Accounting" adopted on April 13, 2016. In order to create a production account, which is one of the accounting objects in accordance with the requirements of this law, approved by

the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 of February 5, 1999 "On the composition of the costs of production and sale of products (works, services) and the procedure for the formation of financial results" Regulation [4] was adopted.

Analysis of literature on the topic

According to Doctor of Economics, Professor B.A. Khasanov, "Profit and profitability are one of the important indicators of the company's activity and its evaluation. The factor affecting the profit is the cost" [5].

Doctor of Economics, Professor R.D. Dusmuratov according to, cost accounting objects are separate structural units where costs are incurred and accounted for [6].

Candidate of Economics, associate professor A. Shoalimov believes that reducing the cost of products reflects the saving of live labor and manufactured labor, provides an increase in profits, and makes it possible to lower wholesale and retail prices [7].

Candidate of Economics, Associate Professor A.V. Ilina according to, expenses are the value of material, labor, financial and other resources used in the economic activity of the organization during the reporting period. Costs can be assets or costs of the organization [8].

Candidate of Economics, Associate Professor D.M. Akbasheva according to, in order to effectively manage costs, it is necessary to take into account production and choose the right method of calculating costs and production costs [9].

Research shows that the theoretical problems of production cost accounting are one side of the issue, and the other side is the improvement of its legal basis. This determines the relevance of the topic of the scientific article.

Research methodology

In this article, the methods of analysis and synthesis, induction and deduction, systematic approach, statistics, grouping, comparison, and factor analysis of scientific knowledge were used. In particular, the method of comparison is the most basic method of analyzing the company's activity, and it is also used in the analysis of financial results.

Analysis and results

The cost of production of products (works, services) includes the costs directly related to the production of products (works, services), conditioned by production technology and its organization. They include: direct and indirect material costs, direct and indirect labor costs, other direct and indirect costs, including production overheads. The generally accepted definition of cost accounting is as follows: "Cost accounting is the activity of the relevant business entity - supply, production and sale of products (work, services) and delivery to the consumer. Quantitative measurement of events (quantity and value). Marking, grouping, is an activity aimed at analyzing the cost of finished products according to the composition limit and is understood.

Proposal to include working account 1016 - "Secondary grain products, grain waste and other raw materials" in the inventory of grain production enterprises.

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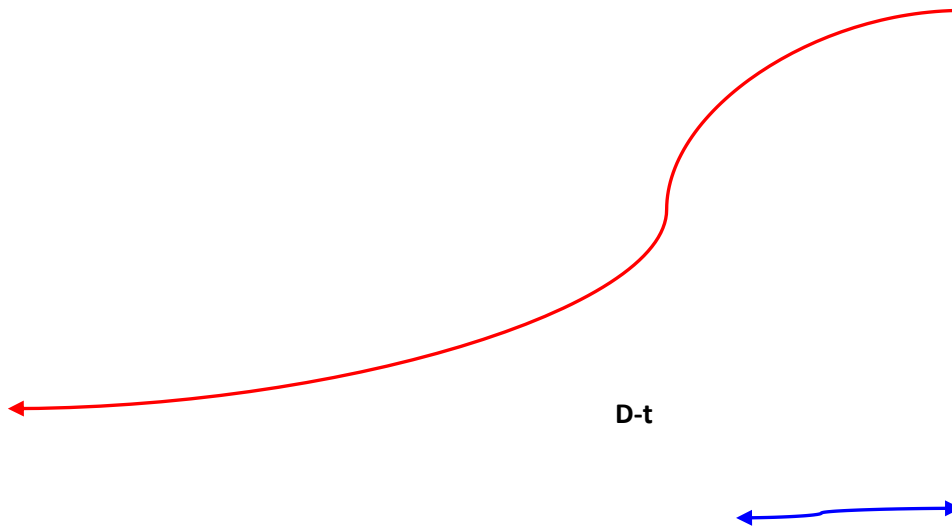


Figure 1. 1016 - Correspondence of accounts on the working account "Secondary grain products, grain waste and other raw materials" ¹

As a result of the introduction of this scientific innovation to the practice of business entities involved in the production of grain products, a clear and fair approach to the accurate and reasonable accounting of inventory will be achieved. It also serves to increase the transparency of information in the financial reports of grain production enterprises.

A proposal on the formation of complete information on the costs incurred in the delivery of raw materials and semi-finished products and ensuring the correct determination of the cost of products based on the inclusion of the 2023 - "Bag production" working account in the accounting policy of grain production enterprises.

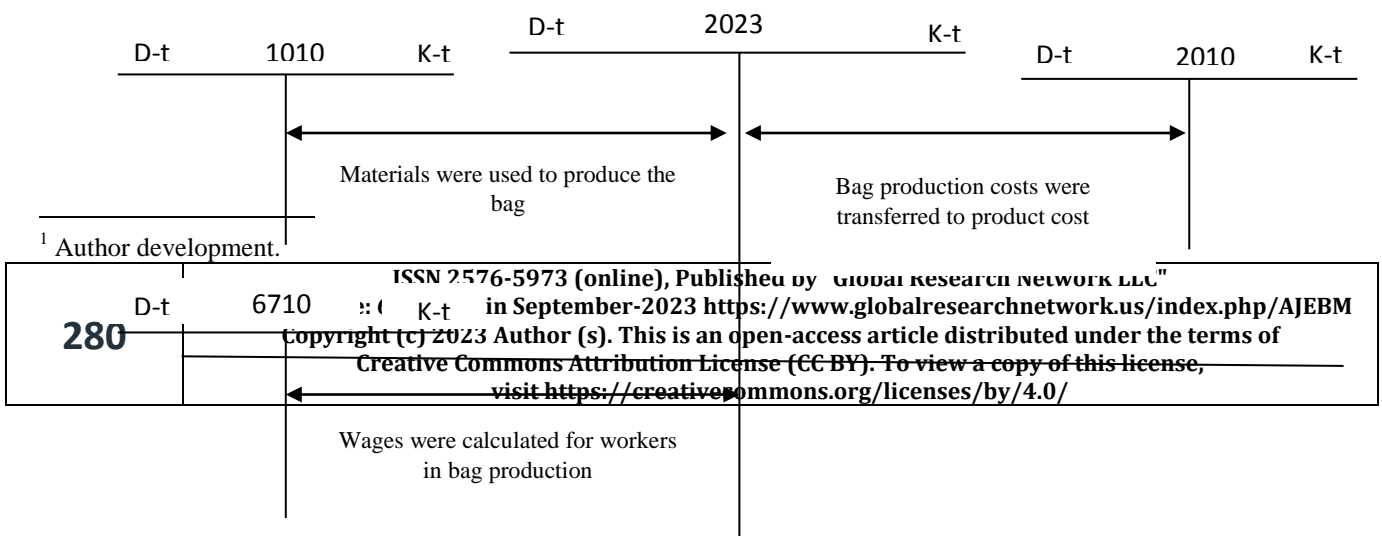


Figure 2. 2023- Correspondence of accounts on the working account of "Bag production".²

As a result of including 2023 - "Bag production" working account in the accounting policy of grain products production enterprises, it provides an opportunity to correctly keep accounts of production costs and to calculate the actual cost of the product in business entities engaged in the production of grain products. It is also a basis for covering detailed information on expenses in the financial reports of grain production enterprises.

The account collects information on three types of costs: labor costs, materials, overhead costs. Then the generalized costs are distributed according to the account directions:

1. To determine the cost of the finished product and the profit.
2. Management to make a decision.

² Author development.

3. To establish control and regulation process.

Each of the three directions, in turn, requires detailing the account, that is, categorizing expenses. For example, the directions of the calculation of production costs are as follows (Fig. 3).

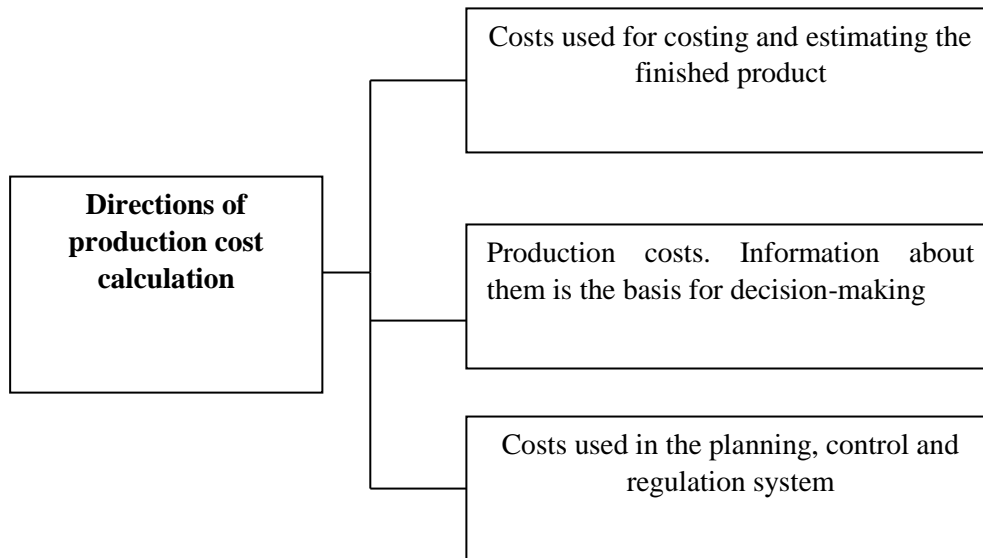


Figure 3. Directions of production cost calculation

Source: Developed by the author

The following methods of cost accounting and product cost calculation were considered to be widespread: simple method; normative (normative) method; mandatory method; divisional (process) method; "Direct-costing" method; "Standard - cost" method.

The simple costing method is used in organizations that produce one type of product (works, services) and do not have semi-finished products and work in progress. When this method is used, all production costs during the reporting period are included in the cost of all produced products (works, services). The cost of a product (works, services) unit is calculated by dividing the sum of production costs by the total number of units of products (works, services) produced.

The main tasks of accounting for production costs include:

A) providing the subject's administration with the necessary and sufficient information to make management decisions taking into account the economic results;

B) to monitor and control actual expenses in order to identify deviations, to compare them with the standard and planned size, and to formulate a future economic strategy;

V) calculation of the cost of manufactured products to evaluate finished products and calculate financial results;

G) determining and evaluating the economic results of the production activities of the subject's structural divisions;

D) management accounting for the coverage of long-term production and technology programs, the level of profitability by types of products sold in domestic and foreign markets, the efficiency and activity of funds invested in fixed assets and inventories bringing their information into one system.

Depending on the characteristics of the production network, the methods used to determine the cost of inventories, including additional products, should be reflected in the organization's accounting policy.

Therefore, the main direction of accounting of production costs is to establish control over the production activity of the subject and manage the costs incurred in the implementation of this activity.

Types of expenses consist of certain items, which are separately accounted for and controlled. It should also be noted that the unjustified reduction of expenses in the activities of enterprises may not produce the expected results.

Conclusions and suggestions

Due to the fact that the production process takes place continuously, it constantly requires labor input and means of production, that is, it requires continuous operation and renewal of the production process.

Organization of production accounting in economic processes on a scientific basis in accordance with the reforms remains one of the main issues. In any production process there are costs. It is the final income received during economic activity that directly depends on the amount of expenses spent on the produced product. The more and better quality products can be produced at lower cost, the more profit will be made. One of the main laws in the process of market relations is to reduce costs and organize production on the basis of entrepreneurial activity and increase material interest.

It is important for enterprises to determine the composition of costs for the production of each type of product. Therefore, in the analysis of the production cost for a particular type of product, a group of expenses representing the composition of expenses is studied. Material costs make up 90 percent of production costs in economic entities. Optimization of material costs to reduce the cost of the product serves to increase production efficiency and speed up the sales process.

At the same time, the proper establishment of internal control of production costs in enterprises, the use of audit results, leads to the correct determination of the possibilities of reducing costs and reducing costs, and increases the competitiveness of products and the economic efficiency of enterprises. Therefore, in order to improve the control of product production costs, it is necessary to conduct an audit twice a year by the internal audit in order to control production costs in the enterprise and to determine appropriate measures based on its results.

The main factors for reducing production costs in economic entities are: improvement of management methods, scientific organization of production and labor, improvement of economic accounting, improvement of the use of production capacities and production funds, economical use of material resources, production management and such as reducing the cost of servicing it. The reserve for reducing production costs is achieved by applying innovation (use of new equipment, advanced technologies, improvement of labor organization) for each cost item.

The implementation of the above proposals will improve the calculation, audit and analysis of production costs in enterprises, and will serve to increase their economic efficiency.

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