



ACCOUNTING OF INCOME AND EXPENSES FOR REGULAR ACTIVITIES

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Abstract:

This article examined the issues of accounting for income and expenses for ordinary activities at enterprises. The main focus is on financial results, income and expenses of enterprises, taxation and their accounting. In the article, the author also gives relevant conclusions on this topic.

Keywords: Revenue, profit, loss, economic activity, debt, tax, taxation, financial result, accounting.

INTRODUCTION

Financial result (profit or loss) is the most important indicator of the organization's economic activity for the reporting period. In addition, the accuracy of determining the financial results depends on the correctness of the calculation of income tax, which, along with value added tax, is for many organizations the most significant part of payments to the budget.

Taxation of profits of enterprises and organizations is an essential element of the state tax policy. At the same time, income tax is also the main regulatory tax. Changes and additions are often made to the regulatory documents that determine the procedure for calculating and paying this tax, many of which affect the formation of financial results. The final financial result (profit or loss) is the amount: income and expenses from ordinary activities, operating income and expenses, in non-realized income and expenses, extraordinary income and expenses.

MAIN PART

Income from ordinary activities is the proceeds from the sale of goods, products, the performance of work and the provision of services. Revenue is reflected in accounting in the amount of funds received and other property or in the number of accounts receivable. If the received funds are less than the amount of the receivables, the revenue is reflected in the amount of the received funds and the unpaid part of the receivables.

This means that even if the shipped products (works, services) are not paid in full, the proceeds are reflected in the entire amount of the shipped products. Revenue is recognized in accounting if the following conditions are met:

The organization has the right to receive this revenue.

Such a right must be confirmed by a specific contract or otherwise as appropriate.

The amount of revenue can be determined.

There is confidence that this or that business operation will serve to improve the financial and economic condition of the organization. This confidence is been present when there is no uncertainty action or not payment will be received, or when the organization has already received payment (for example, in cash or inventory). It is incorrect to assume that if, as a result of the sale of products (works, services), the organization receives a loss, then receipts for these products cannot be considered revenue, that is, recognized as income. Any receipt must be qualified as revenue, regardless of the final financial result. Ownership of the product has passed from the organization to the customer, or the work is accepted by the customer. If the terms of the contract determine a special moment of transfer of ownership of the shipped products. Revenue is recorded only after payment.

The costs that are or will be incurred in connection with this transaction can be determined. If the above conditions are not met, revenue is not recognized. Cash or inventory received from the customer in payment for products (works, services) are recorded in this case as accounts payable. If the amount of proceeds from the sale of products (performance of work, provision of services) cannot be determined, then it is accepted for accounting in the amount of expenses for the manufacture of these products, which will subsequently be reimbursed to the organization. The amount of expenses is determined according to the accounting data of the organization that produced these products (performed work, provided services).

The income of the organization is not the following receipts: the amount of value added tax, excise taxes, sales tax, export duties and other similar mandatory payments; under commission agreements, agency and other similar agreements in favor of the principal, principal; by way of prepayment for products (works, services); advances in payment for products (works, services); deposit; as a pledge, if the contract stipulates that the pledged property will be transferred to the pledgee; in repayment of a loan or loan. Expenses for ordinary activities are expenses

associated with the manufacture of products, the purchase and sale of goods, the performance of work and the provision of services. Reimbursement of the cost of fixed assets, intangible assets and other depreciated assets in the form of depreciation deductions is also considered as expenses for ordinary activities. Expenses for ordinary activities form: expenses associated with the purchase of raw materials, materials, goods, and other inventories; expenses arising directly in the process of processing (revision) of inventories for the purpose of manufacturing products, performing work and rendering services and selling them, as well as the sale (resale) of goods (expenses for the maintenance and operation of fixed assets and other non-circulating assets, as well as keeping them in good condition, business expenses, administrative expenses, etc.).

When forming costs for ordinary activities, they should be grouped according to the following elements: material costs; labor costs; deductions for social needs; depreciation; other costs.

According to the Accounting Regulations under consideration, income and expenses from ordinary activities also include income and expenses related to:

with the provision for a fee for temporary use (temporary possession and use) of the organization's assets under a lease agreement;

with the provision for a fee of rights arising from patents for inventions, industrial designs and other types of intellectual property;

with participation in the authorized capital of other organizations.

In this case, the specified income and expenses should be related to the subject of the organization's activities. The method for determining the proceeds from the sale of products (works, services) is established by the organization in the regulation on accounting policies for a long period (a number of years) based on the terms of business and contracts concluded. At the same time, it is not allowed to change the method for determining the proceeds from sale during the reporting financial year. The change in accounting policy compared to the previous year should be explained in the explanatory note to the annual financial statements. In accordance with the accounting method chosen by the organization, proceeds from sales are also assigned to a particular reporting period.

Income and expenses of organizations in foreign currency are recorded in the currency in force in the territory of the Republic of Uzbekistan (sum), in amounts determined by converting foreign currency at the rate of the Central Republic of Uzbekistan of the bank in effect on the date of the transaction. Multidisciplinary organizations carrying out several types of activities, the profit from which, according to the current legislation, is subject to taxation at different rates, are obliged to ensure separate accounting of income and expenses for each of these activities. At the same time, general production and general business expenses are distributed in proportion to the amount of revenue received from this type of activity in the total amount of revenue. Income tax is calculated separately for each type of activity, regardless of others and the financial result of the organization as a whole. For organizations that carry out export-import commodity exchange operations (including those carried out on a barter basis), earnings in foreign currency for tax purposes are recalculated in amounts at the exchange rate on the day of registration of customs documents.

CONCLUSION

In accordance with the Regulation on accounting and reporting, income received in the reporting period, but related to the next reporting periods, is reflected in the accounting and reporting as a separate item as deferred income. These incomes are to be charged to financial results at the beginning of the reporting period to which they relate. This category of income can include: rent or apartment rent, utility bills, revenue for freight transportation, for the transportation of passengers on monthly and quarterly tickets, subscription fees for using communication facilities, and others.

In accordance with the Chart of Accounts for the accounting of financial and economic activities of enterprises, during the reporting period, profit or loss from the sale of finished products, delivery of works and services is reflected. The prevailing market prices are understood as the market prices prevailing in the region at the time of the execution of the transaction. Region - the sphere of circulation of products in a given area, which is determined based on the economic ability of the buyer to purchase goods in the territory closest to him.

In this case, the nearest territory is understood as a specific settlement (group of settlements) located within the boundaries of national and administrative-territorial entities. Exceptions have been made to this order. The amount of the transaction can be set at the prices of actual sales in the following cases: the organization could not for a long time sell products at prices higher than the cost price due to a decrease in its quality or consumer properties (including obsolescence); the prevailing market prices for this or similar products turned out to be lower than the actual cost of these products. In this case, as follows from the above formulations, we are talking about the sale of manufactured or purchased products, but not about works or services. In addition, the organization must, from the moment of sale, inform the tax office at the place of its registration of its intention to sell products at prices below cost, indicating the estimated price, type and quantity of products sold. If the organization, within 30 days before the sale of products at prices not exceeding its actual cost, sold similar products at prices higher than its actual cost, then for all transactions prices calculated from the maximum selling prices of these products are applied for tax purposes.

When organizations exchange products (works, services), revenue for tax purposes is determined based on the average selling price of such or similar products (works, services), calculated for the month in which the transaction was carried out, and if there is no sale of such or similar products (works, services) per month - based on the price of its last sale, but not lower than the actual cost. It should be especially noted that this procedure also applies to the case of gratuitous transfer of products by an organization, as well as gratuitous performance of work or services. If it is impossible to determine the market value of the property received, then the proceeds from are reflected based on the value of the property transferred under the exchange agreement. This value is determined based on the prices at which the entity sells such or similar property to third-party buyers. The difference between the book value of the property transferred in exchange (the cost of work, services), contract costs and the value of the property received is recognized in the accounting as a profit or loss from this operation.

If an organization exchanges newly developed products that were not previously produced, or exchanges purchased products, then for tax purposes, the actual market price for similar products is accepted, which was prevailing at the time of fulfillment of obligations under the transaction, but not lower than its actual cost. The cost of purchased products includes the purchase price, shipping, storage, sales and other similar costs. In all cases of determining the taxable base at prices different from the prices of actual sales, the amount of revenue is determined by the organization on the basis of a calculation that is submitted to the tax office simultaneously with accounting statements and the calculation of income tax.

Recently, commercial buyer lending has become widespread. Under a commercial loan agreement, the buyer is provided with a deferral or payment by installments for the goods received. A commercial loan can also be presented in the form of a bill. In this case, the buyer issues a promissory note to the seller for the purchased goods. By agreement, the parties may provide that the promissory note will be paid remuneration. The remuneration can be indicated on the bill either in a certain amount or as a percentage of the bill amount. When the remuneration is indicated in the bill of exchange in the accounting of the organization, a difference arises between the amount indicated in the bill and the amount owed for the goods supplied.

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