

## **Accounting and Recommendations for Reducing and Optimizing Period Expenses in Business Entities Based on International Standards**

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**Abstract:** This article is based on the relevance of cost accounting in business entities. The targeted use of material, financial and labor resources enables organizations to get more profit and benefits. The volume of resources is decreasing as a result of the global economic crisis. And this makes it relevant to make rational use of the equipment, buildings, tools, inventory and financial resources available in the organization, and accounting of Uzbekistan and to improve reporting on financial results.

**Keywords:** Income, expenses, period expenses, income from other activities, profit or loss, financial activity.

At the current stage of the market economy, business entities must effectively use available resources. The targeted use of material, financial and labor resources enables organizations to get more profit and benefits. Arrived is a factor in the expansion of the organization's activities and financial incentives for staff. The volume of resources is decreasing as a result of the global economic crisis. And this makes it relevant to make rational use of the equipment, buildings, tools, inventory and financial resources available in the organization. The organization's performance indicators must be generated and displayed correctly in the organization's reports and accounts.

Costs, including period costs, are important qualitative indicators of an organization's financial and business activities. As a result of the correct cost determination and proper accounting, organizations receive income. The assumption of unnecessary costs, inefficient use of property, embezzlement, non-compliance with laws and contracts and other negative cases of this type leads to an unjustified increase in costs in the organization, as a result of which the organization will come out with a loss at the end of its activities and will go bankrupt. Therefore, costs, including period costs, along with other important indicators of the organization should be considered as quite important objects of accounting and auditing.

A factor in the proper management of control and accounting of period costs is full compliance with and compliance with the requirements of regulatory legal acts of our country.

At the current stage of the market economy, the procedure for monitoring the activities of organizations is also being improved. To date, unjustified interference in the activities of enterprises is prohibited. The range of accounting services, organization of accounting, development of accounting policy and ensuring financial stability is expanding. One of these services is the audit service. A regulatory framework has been created in our republic to improve the audit service. Today, a number of organizations provide their audit services to various organizations with a wide range of activities. There are also certain problems with further

improvement of the audit service. These problems relate to the audit of profits, costs and financial results.

A direct study of audit organizations and the activities of enterprises shows that the main task of audits is aimed at determining the correctness of the preparation of financial statements of an enterprise. In our opinion, in audits, it is mainly necessary to pay attention to the quality indicators of the enterprise, including the audit of expenses. The reason for this is that if the monetary and material resources of the enterprise are directed correctly, the enterprise benefits as a result.

As a result of the conducted research, we are promoting the following proposals to improve the audit of expenses of the current period:

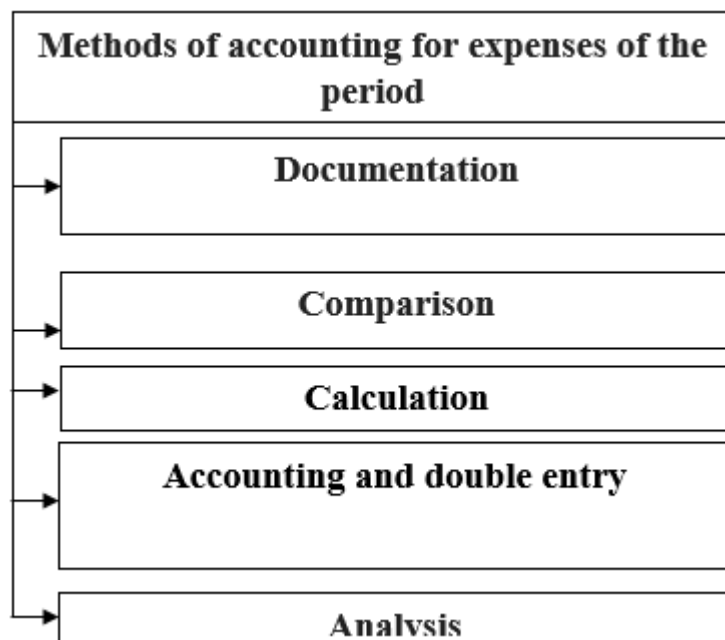
- paying attention to the correct recognition of current expenses and their formation.
- achievement of maintaining the expenses of the current period according to a separate audit plan and program.
- clarification of accounting for expenses of the current period in the formation of the accounting policy of the enterprise.
- today, computer tools are widely used in accounting issues of enterprises. This is the basis for the use of computerized audit methods and tools when checking expenses of the current period.
- wide use of audit services in the correct accounting of expenses of the current period.
- extensive use of information resources in the audit of expenses of the current period.
- analysis of the expenses of the current period and their main items.
- improvement of internal control of expenses of the current period.
- expansion of control methods.
- the use of international practice in accounting for profits and losses.

The effectiveness of accounting for expenses of the current period is directly related to the availability of information sources. Information resources are divided into several types: internal sources, external sources.

Internal sources for users of information are considered to be the report on the financial results of the enterprise, the accounting policy of the enterprise, cost estimates, payroll, information on the staffing table, decisions of the head of the enterprise and other sources.

Now it is necessary to study the items of expenditure that exceed the estimated cost. It is necessary to clarify the reason for the increase in the cost of penalties and penalties, as well as other expenses. As a result, cases of forgery of documents and surcharged prices are being investigated. The receipt of the above items from the cost estimates may be associated with an increase in the volume of services and works or prices. For example, due to an increase in the number of non-fulfillment of the terms of supply contracts with buyers and customers, the amount of penalties and penalties paid has increased. But this is not a positive case. Because the repair work has not been carried out completely according to plan and this situation will negatively affect the operation of the company's services. Summing up, it should be emphasized that it is necessary to evaluate objectively the changes in the items of each expenditure period as a result of the analysis.

The effectiveness of accounting for period expenses is also related to the methods used in the process of accounting operations. The peculiarity of the expenses of the periods, the differences between the cost items depends on the use of audit methods for these items. Based on the results of the study, we recommend the widespread use of the following methods when accounting for period expenses.



**Figure 1. Methods of accounting for expenses of the period**

Accounting for the expenses of the period in our republic is based on national accounting standards (NSBU). In turn, these standards are based on International Financial Reporting Standards (IFRS). Therefore, it is advisable to use international methods when taking into account indicators, including expenses of the current period of enterprises. Accounting for period expenses in a computerized environment and the use of information for company users is widely practiced in international practice. We believe that this will lead to positive results when accounting for expenses of the period based on international Financial Reporting Standards (IFRS), that is, it will increase the effectiveness of reliable information on accounting for expenses of the current period for investors.

Based on the above data, we offer the following recommendations for optimizing the expenses of the company's period:

1. To improve the principles of accounting for expenses of the period on the basis of International Financial Reporting Standards.
2. Optimize the Regulation on the composition of costs for the production and sale of products (works, services) and on the procedure for the formation of financial results (Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated February 5, 1999 (No. 54) with the principles of IFRS.

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