

IMPROVING THE BUDGETING PROCESS IN ENTERPRISES

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Abstract: Budgeting deserves special attention as the most important link between strategic and operational management of all business operations aimed at coordinating economic processes of the enterprise and, as a result, increasing its competitiveness. This article analyzes a number of problems in the budgeting process in enterprises and gives appropriate conclusions on their elimination.

Keywords: budgeting, planning, approval, execution, control, efficiency.

Introduction

At the current stage, the urgent task before any enterprise is to increase its competitiveness. This is due to the constant tightening of competition in the conditions of limited external resources. Such a situation can lead to a lack of opportunities for business development, its entry into new markets, diversification and, ultimately, a decrease in competitiveness. In such conditions, it is necessary to create a self-regulating business system that can adequately and timely respond to the effects.

Budgeting is the first step in the development of a systematic management system of the economy and helps to optimize financial flows and the most effective distribution of enterprise resources, which can significantly reduce their size and need, reduce costs and increase the competitiveness of the enterprise.

The main part

The main goal of budgeting is to provide the production and commercial process with the necessary financial resources, both in terms of volume and structure. Developing budgets gives quantitative confidence to the firm's chosen prospects. To achieve this main goal, it is necessary to solve the main tasks of budgeting:¹

- ensure continuous planning;
- ensuring coordination, cooperation and communication of business units;
- justification of enterprise expenses;
- creation of a base for evaluation and control of enterprise plans;
- compliance with the requirements of legislation and concluded contracts.

Thus, budgeting is the process of planning the future activities of the enterprise, the results of which are formalized by the budget system. The introduction of budgeting helps to create a consistent and sufficient effective management system. The existence of a budgeting procedure is common for any company in the developed countries of the world, and in the last decade it has been widely

¹<https://www.businessmanagementideas.com/marketing/product-promotion/budgetary-process-for-advertising-of-products-management/8557>

implemented in leading enterprises of Russia. In addition, it is very important that the creation of a budget system requires management and integration of information technology, which ultimately leads to an increase in management efficiency.

Literature analysis

The word budget is derived from the French word "bougett", meaning "leather bag".² In relation to a separate business entity, "budget" is an accounting method that allows comparison of actual results with planned indicators, as well as an effective decision-making tool, which is most provided by the top managers of the enterprise. reasonable use of the owners' property.

According to R. Anthony, "a budget is a plan that covers a certain period of time, usually a year, expressed in quantitative, usually monetary indicators."

English economists JK Shim and JG Siegel gave a similar precise definition³, the term "budget" is defined as "the quantitative plan of the enterprise's activities and the implementation of programs, it is related to financial assets, own funds, income and expenses, etc., and the economic indicators of the natural company's activities". According to them, the budget "describes the company's goals in terms of achieving specific financial and operational goals and is a set of financial forecasts or financial plans." Budgets are a means of financial planning (forecasting) and control of the activities of the company and its structural units.

According to the definition of Y. Brigham and L. Gapensky:⁴"A budget is a plan detailing the inflows and outflows of funds over a planned period of time."

ES Stoyanova⁵the enterprise budget is "a quantitative representation of the plan describing the income and expenses for a certain period and the capital that must be attracted to achieve the goals set in the plan." believes that

A similar definition is given by Blank:⁶"an operational financial plan, which is usually developed for a period of up to one year, reflecting the costs and receipts of funds for certain areas of economic activity, certain types of operations, certain investment projects"

Budgeting is a technology of financial planning, accounting and control of business income and expenses, which allows you to analyze predicted financial indicators and manage resources with their help (primarily financial, both for an individual business and for a business).

Result and discussion

Preparation of Budget:It is generally prepared by the advertising manager in consultation with the marketing manager. The advertising budget made is based on inputs provided by marketing research people. The budget is generally made on an annual basis. Primary input would depend upon type of product, new or established one, target market, demographic composition, advertising copy and media selection.

²<https://motherhouse.ru/uz/uclugi-zhkh/cto-takoe-byudzhetirovanie-byudzhetirovanie-na-predpriyatii/>

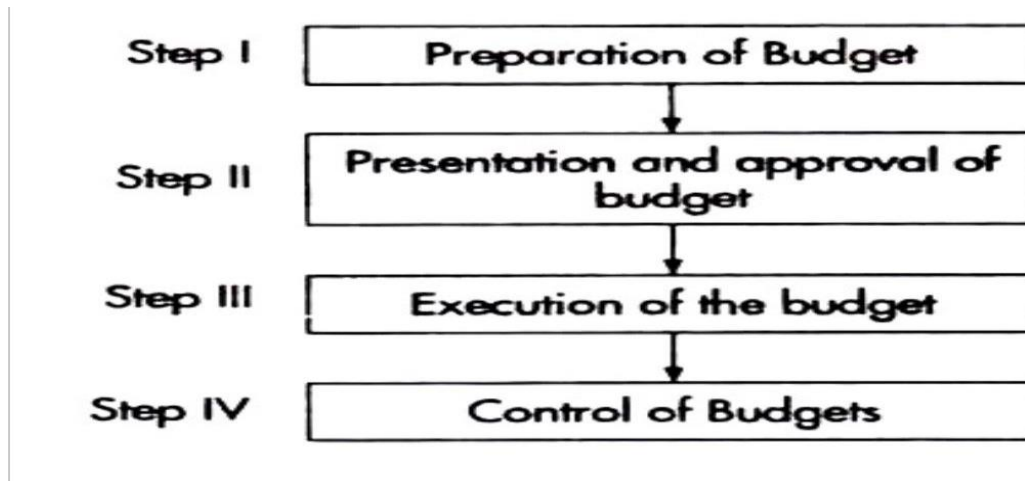
³Shim JK, Siegel JG Cost management methods and cost analysis / JK Shim, JG Siegel - M.: Finance, 1996. - 344p.

⁴Brigham Y., Gapensky L. Financial management. Complete course in 2 volumes / Y. Brigham, L. Gapensky - St. Petersburg: School of Economics, 1997. - 1 t.: 497 p., 2 t.: 669 p.

⁵Stoyanova ES, Stern MG Financial management for practitioners: a short professional course / ES Stoyanova, MG Stern - M.: Perspektiv, 2007. - 239 p.

⁶Blank I. Fundamentals of financial management / I. Blank - M.: Nika-Center, 2006 - 632p.

Table 1. Budgeting stages.



Source: compiled by the author with the help of several references.

Presentation and approval of budget:After the budget is made, it is presented to top management for the approval of the budget.

Execution of the Budget:After the budget is approved by the top management, it is executed. Various channels and media for budget allocation are considered. The task of preparing advertising messages and acquiring advertising time and space is given to advertising agencies.

Budget control:After the budget is executed, the results come out. If control of budgets involve comparing the desired advertising objectives and actual advertising objectives The purpose is to know the effectiveness of advertising in-terms of money allocated to advertising If it is found that the allocated budget is on the higher side or on the lower side the appropriate corrective action can be taken.

A number of limitations are taken into account when preparing and executing the budget. As an important component of short-term (operational) planning, budgeting should be consistent with the organization's strategy, marketing, and other intentions. A mandatory criterion for its introduction is the use of information technologies. In addition, this system should match the specific characteristics of the company and its field of activity. The key to the company's success is competent organization of its work. Simplification, systematization and automation of work processes will significantly increase the competitiveness of the enterprise

Conclusion

In conclusion, it can be said that if the results of the assessment of the accounting documents, account registers and financial reports prepared as a result of the expertise are in accordance with the requirements of laws and other regulatory documents, this indicates the correctness of budgeting and allocation of funds. For this purpose, a number of control doubts will help us.

Inventory is a work activity carried out to determine the true state of the company's assets and liabilities, to determine their compliance with account information.

Consulting is a work activity carried out to provide business entities with advice on various knowledge and practical skills that interest them.

Professional services are work activities of auditing organizations on the basis of contracts for keeping accounts, restoring them, preparing tax declarations, drawing up business plans, and performing other professional work. Thus, based on the above thoughts and considerations, audit and auditing activities can be defined as follows.

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