



The Order Of Formation Of Financial Results And The System Of Indicators

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ABSTRACT

In this article, the author comments on the order of formation of the indicators and the system of indicators reflected in the report on financial results.

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The development of market relations increases the role of profit as an important factor determining the financial performance of enterprises. Because profit is the future development of enterprises, the main source of social protection of workers. Also, most of the state budget revenues are covered by income tax. Due to this importance, financial authorities, tax inspectors, auditors and specialists of the internal economy (accountant, economist) are required to regularly monitor the formation and use of profits. Most of the state budget revenues are covered by profit tax. Due to this, given the importance of the financial authorities, tax inspection, auditors and specialists of the internal economy (accountant, economist) are required to regularly monitor the formation and use of profits.

In order to fully understand the procedure for determining financial results, in our opinion, it is necessary to consider the procedure for the formation of indicators reflected in the "Statement of financial results".

In the report "On financial results" income, expenses, profits and losses are reflected in the following areas of activity of economic entities.

- primary activity;

- investment activities;
- financial activities.

In the 2nd National Accounting Standard of the Republic of Uzbekistan "Income from the main economic activity" income is determined as follows:

In this standard, income means income earned in the ordinary course of business, including income from products, interest, dividends, royalties, etc.

The order of formation of financial results is regulated by the Regulation "On the structure of costs of production and sale of goods (works, services) and the order of formation of financial results." In accordance with this Regulation, the benefits of the business entity include:

1. Gross profit from sales of products;
2. Profit from operating activities;
3. Profit from general economic activity;
4. Profit before tax;
5. Net profit.

The classification of income in this way allows an objective assessment of the economic activity of the business entity and the search for internal reserves. Let's take a brief look at what these income indicators mean and what they include, and how they are calculated.

1. Gross profit from the sale of products - is determined by deducting the cost of production of the sold product (calculated in accordance with the regulations on the structure of costs) from the amount of gross income from the sale of goods (discount to customers, returned goods, VAT, excise tax):

$YaF = YaD - MT$, where:

YaF - Gross profit indicator;

YaD - Gross income

Production cost of MT-Product.

2. Profit from the main activity - this indicator is added or subtracted from the amount of gross profit from the sale of products, the sum of other income or loss received as a result of the main activity to the figure less current expenses (expenses related to the organization of the main activity).

$AF = (YaF - Dx) \pm BD, BZ$. with:

AF - profit from the main activity;

DX - period costs;

BD - other income received as a result of the main activity;

BZ - Other losses incurred as a result of operating activities.

3. The amount of profit received as a result of general economic activity - the amount of loss as a result of financial activity is deducted from the amount of profit received as a result of the main activity of the entity or the amount of profit received is added:

$UF = FA \pm MF, MZ$, Where:

UF - profit as a result of general economic activity;

MF - profit received as a result of financial activities;

MZ - loss as a result of financial activities.

4. The amount of profit determined before the payment of the tax amount - the amount of profit from emergencies shall be added to the amount of profit received from general economic activity or the amount of losses incurred shall be deducted.

$STf = UF \pm FF, FZ$, Where:

STf - the amount of profit determined before the payment of the tax amount;

FF - the amount of benefits received from emergencies;

The amount of damage caused by FZ-emergencies.

5. Net profit is a profit that remains at the disposal of the business entity, which is the product of the amount of profit (profit) and other taxes, payments specified in the "Tax Code" from the amount of profit from general economic activities, calculated before tax.

$SF = STf - (DS + BS)$, Where:

Net profit at the disposal of the SF-subject (distributed profit);

DS - income (profit) tax;

BS - other taxes and mandatory payments.

Therefore, in accordance with the Regulation "On the structure of costs of production and sale of goods (works, services) and the order of formation of financial results" income and expenses received by business entities should be included in the report on financial results in the following sections:

- income from the sale of products;
- income from operating activities (current income);
- income from financial activities;
- extraordinary income.

Expenditures incurred by an entity in the course of this business are also grouped as follows:

- costs added to the cost of production;
- current expenses;
- expenses on financial activity;
- emergency damages.

Formation of financial results in economic entities is carried out on the basis of the new Regulation "On the structure of costs of production and sale of goods (works, services) and the order of formation of financial results", the following figure shows its classification by income and expenses.

Attempts have been made to bring the current financial results report in line with international standards, but it is not without some shortcomings, ie many items related to the development of the enterprise are not covered. Second, revenue data will depend on the accounting methods used. Third, income and expenses by type of activity are not reflected.

The growth of the capacity of the private sector in a free economy has necessitated

radical reforms in accounting. That is, private enterprises have the opportunity to invest their idle funds or assets at will or engage in financial activities at the same time as the main activities. When assessing the financial condition of the enterprise, first of all, attention should be paid to the report on the financial results of the enterprise. This is because the statement of financial performance reflects the income of the enterprise for the main activities, investment and financial activities developed during a certain reporting period. In the statement of financial performance, the indicators are presented in a generalized form. This can give a good result when assessing the overall situation, but if we study the results obtained from the types of activities separately, we will see that the individual types of activities are not good. In general, the negative result of the main activity may be offset by the positive results of the financial and investment activity.

The main purpose of accounting is to provide users of information with complete and accurate financial and accounting information. We cannot say that all users of information have knowledge of accounting and economics.

In view of the above, the period requirement is a simplification rather than an improvement in accounting and reporting.

It would be advisable for investors to focus on the income from the main activities of the enterprise when investing cash. The first is that the enterprise has the ability to keep its operating income at a steady pace during the reporting year, and the second is that the enterprise does not have the ability to plan its income from financial and investment activities. However, it is not possible to see net profit from operating activities in the statement of financial performance. This is because the statement of financial performance also includes income from investment activities as income from other operating activities. This leads to an exaggeration of the profit from the main activity.

Income statement from operating and investing activities is reflected in the statement of current financial results in the line "Profit

(loss) of the main activity". In the statement of financial performance in these areas, the formation of income and expenses would be appropriate in the following order.

- Income from operating activities;
- Income from investment activities;
- Income from financial activities.

In this regard, the separation of income from investment activities in the statement of financial performance allows to reduce the risk in making investment decisions.

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