

Accounting of Financial Results in Service Enterprises

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Abstract

The article examines the issues of improving the accounting of financial results in service enterprises, as well as the procedure for calculating the financial results of service enterprises as a result of exploratory and deductive research. In order to further simplify, proposals were made, conclusions were formed as a result of the conducted research.

Keywords: *international standards, costs, income, balance sheet, improvement, financial result, service enterprises..*

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1. Introduction

Today, the transformation of the economy and in the process of diversification, it is important to reduce the cost of services obtained from the final stage of service enterprises at the level of opportunity, because the price set for them based on demand and supply determines the level of purchase of the services provided. Also, the service industry is the fastest growing and most profitable type of business in the world, its share in the gross national income is 10.0 percent. In particular, assessment of the process and main trends of the development of entrepreneurship in the service economy in the world, increasing the economic efficiency of the service sector, employment of the population in the sector Full use of opportunities to provide and increase income, improvement of accounting and reporting of financial results are today's urgent issues.

In order to accelerate the transition to international standards of financial reporting, to provide foreign investors with the necessary information environment and to expand access to international financial markets, as well as to improve the system of training accounting and auditing specialists according to international standards joint-stock companies, commercial banks, water It was decided that legal entities included in the category of insurance organizations and large tax payers will organize accounting based on the International Standard of Financial Accounting from January 1, 2021 and prepare financial statements based on the International Standard of Financial Reporting from the end of 2021.

Accounting according to international standards, improving their financial accounts and reports, increasing the economic efficiency of service enterprises and evaluating their infrastructure are considered to be one of the main issues in the world. It creates an opportunity to create financial results calculation in service enterprises based on international standards, to create information supply in them. Taking these into account, development of service enterprises in our country, accounting and reporting system. Improving the scientific and methodological bases of calculation based on the international methodology is gaining importance.

Analysis of literature on the topic. Many foreign and Uzbek scientists have expressed their opinions on accounting and control of financial results and its improvement. For example, in the scientific research of the Russian scientist Sh. V. Aleksevna, the need to improve the accounting of financial results was reflected in the work of the organization in later periods, since the mechanism of accounting for income and expenses, as well as the formation of financial results, is a source of information for analyzing the effectiveness of organizational and management decision-making. Therefore, the requirements for accounting in general may be related to the accounting of financial results and the accounting of income and expenses directly affecting this category [1]. According to M.N.Galkina, a scientist of the Polish State University: the structure and procedure of profit in accounting is considered one of the most important issues, and a reliable report on financial results and the use of profit is good for analyzing the financial situation of the enterprise, identifying its strengths and weaknesses can serve as a basis. He emphasized that one of the important factors is to strengthen it or determine measures to get out of a difficult financial situation [2].

In the first half of the 20th century, some American scientists came to the conclusion that the report on financial results (profit and loss) is more useful and important than the report on the financial position (balance sheet). In particular, Irving Fisher evaluated the enterprise as an economic mechanism, and accounting as its component, and believed that its task is to monitor and control economic processes [3]. According to him, the main purpose of the report is the correct calculation of the profit, by identifying the items related to the profit, it is possible to make an accurate diagnosis of the financial situation. Because economic activity is constantly moving and changing under the influence of objective laws. Consequently, the development of economic activity is affected by the capital flows in motion, and not by the inactive balance of capital. Therefore, for accounting, the profit and loss statement, which represents the movement of funds, is more important than the balance sheet, which is made up of balances of accounts. The balance sheet consists of the owner's initial investment and the profit from its turnover. If capital does not circulate, it is nothing more than dead property. Profit and loss statement taking center stage, Fischer makes another important proposition in this regard. In his opinion, he believes that the tax should be imposed not on the property balance, but on the profit.

Also, some aspects of the existing problems in this regard have been reflected in the scientific researches of the economists of our republic, M.Yu. Rakhimov [4], H. Tukhsanov [5] and others.

Considering the specific features of the service industry, the issues described in the above research,

the organization of financial results and the procedure for drawing up financial reports in enterprises, based on the requirements of national and international standards, have not been studied separately. Organization of financial results account and its effective management and preparation of financial report reflecting reliable data in enterprises in the field of service acquires a unique feature in practice. From this point of view, in the organization of accounting in this field, it is necessary to separate the separate aspects from accounting.

Research methodology. In the preparation of this article, the formality of regulatory and legal documents, used literature and Internet information, the comparative and critical analysis of the scientific and theoretical views of economists on the subject, the results of studying and summarizing advanced foreign experience, as well as proposals and was determined by the implementation of the recommendations. Systematic analysis, generalization, and abstract-logical thinking were used during the study of the subject along with general economic methods.

Analysis and results. Conceptual basis for preparation and presentation of financial statements plays an important role in the organization of financial performance accounting in service-oriented enterprises. The conceptual framework for the preparation and presentation of financial statements alone covers the preparation of financial statements, its elements and principles and rules. This conceptual framework was developed in general for all tourism enterprises. In our opinion, it is appropriate to develop a new draft of the conceptual framework for small service enterprises, taking into account their characteristics. This conceptual framework covers not only the procedure for compiling and presenting financial statements, but also the issues of organizing financial results.

It is desirable to create revenue from royalties in service enterprises. Such revenues arise from the use of patents, trademarks, copyrights, and computer programs. In this case, income in the form of royalties (interest, rent, etc.) is recognized in the periods of use of assets (Debit 4850 "Received royalties", Credit 9510 "Incomes in the form of royalties"). A tourist enterprise may give the right (patent or license) it has acquired for the provision of tourist services to another enterprise that has started operating in the field on the basis of a royalty agreement. As a result, the enterprise will have the opportunity to increase the volume of its income in financial activities other than the main activity (Table 1).

Table 1

Formation of financial results at "BIZNES STAR" LLC enterprise
(in thousands of soums)

Indicators	2021 year	2022 year	Difference (+,-)	
			Summad a	Percent
Net income from sales of products	1586693	3585747	+1999054	226,5
Gross income (profit)	137810	258148	+120338	188,3
Income from main activity (profit)	110803	215455	+104652	195,4
Income from general economic activity (profit)	110803	215455	+104652	195,4
Income before tax(profit)	110803	215455	+104652	195,4
Net profit of the reporting period (loss)	15560	45593	+30033	293,5

It can be seen from the above information that if the formation of financial results in a service enterprise is evaluated, this process in the enterprise is positive has changed. That is, incomes tend to grow.

The increase in income from product sales by +1,999,054 thousand soums (226.5 percent) ultimately caused the net profit of the reporting period to increase by +30,033,0 thousand soums or the net profit of the reporting period by 293.5 percent. It is necessary to improve the organization of financial accounts in enterprises engaged in service activities, in particular, preliminary and cumulative documents accounting for accounting objects. In addition, the following forms of financial reporting are compiled and presented in small enterprises engaged in service activities:

- balance sheet, Form 1 (statement of financial position);
- statement of financial results, Form 2, (statement of gross income);
- explanations to financial statements, references.

We believe that investors, creditors, suppliers of goods, government bodies and other users should approach the accounting balance not only as a methodical means of ensuring equality , but based on the purpose of accounting . We analyze the criteria for dividing assets and liabilities into current and long-term terms according to the requirements set by international standards based on the balance sheet data. (Table 2)

Table 2

Analysis of asset and liability items of the balance sheet of "BIZNES STAR" LLC (thousand soums)

The composition of the balance sheet is active and passive	In early 2022		At the end of 2022		Change (+:-)		
	Amount	Weight, percent	Amount	Weight, percent	Amount	Weight, percent	Compared to the beginning of the year
1.Long-term assets	24973	70,3	21350	10,5	-3623	-59,8	85,4
2.Current assets	7419	29,7	181564	89,5	+174145	+59,8	244,7
Balance sheet assets total	32392	100,0	202914	100,0	+170522	-	6,2 times
1.Sources of own funds	30764	93,7	54002	26,7	+23238	-67,0	175,5
2. Liabilities	1628	6,3	148912	73,3	+147284	+67,0	914,6
Balance sheet total	32392	100,0	202914	100,0	+170522	-	6,2 times

Positive results can be seen when analyzing the structure, dynamics and composition of the company's balance sheet assets. Although long-term assets in the enterprise have a tendency to decrease (-3623 thousand/soum or 85.4 percent) (this situation is related to the depreciation of fixed assets), the increase of current assets in the enterprise (+174145, 0 thousand/soum or +244.7 percent). The asset part of the balance has a 6.2 times growth tendency compared to the reporting period. This indicates that the company's solvency and liquidity level will increase in the future. The sources of the company's own funds (+23,238 thousand/soum or 175.5 percent) and the amount of liabilities (+147,284 thousand/soum or 914.6 percent) have an increasing tendency. The source of own funds increased mainly due to undistributed profit (15,560 thousand soums). Also, liabilities include goods suppliers (65,384 thousand soums), advance payments (42,357 thousand soums) and debt to the budget (38,710 thousand soums). The total liabilities of the company's balance sheet also increased 6.2 times.

In the conditions of economic transformation, finding new opportunities to increase profit in economic entities is one of the urgent problems. This requires improvement of conceptual aspects of formation of financial results. During the research, existing syntactic, semantic and pragmatic concepts in the definition of benefit were studied. In the syntactic concept, it is understood to consider it from the point of view of the rules

of profit determination. In the semantic concept, it is understood to increase the amount of profit, which represents the efficiency of the owner's invested capital under certain market conditions. The pragmatic concept considers the influence of profit accounting information on the decision-making process of investors and creditors. The above three concepts of profit recognition make an important contribution to the improvement of accounting theory and methodology.

The financial result in performing works and providing services is the amount of profit (loss) of the company received during the reporting period. In this case, income from the main type of activity is income from the provision of accounting and consulting services or other economic operations of the company. Expenses should be written off in proportion to the share of work performed during the reporting period.

Accounting and financial results are one of the main and most important issues in the accounting system, because information about corporate profits is created based on its information. In this regard, four groups of accounting issues for service enterprises can be distinguished.

First, it is related to the theoretical rationality of accounting and control of financial results in service enterprises, since there is currently no clear academic concept of profit formation. Financial results, which are indicators of profit and loss formation for the current year, are determined by the accounting system only at the end of the reporting period and are determined by calculation after determining the actual cost of production and sales.

Secondly, it is related to the management issues of accounting and control of the formation and use of financial results of service enterprises. Unlike many regulatory legal documents in this field, the status of financial indicators of agricultural enterprises in the Legislative and regulatory system has not yet been determined.

Thirdly, methods of accounting and control of financial results of service enterprises. Certain conditions must be met in order to obtain information about the financial results, income and expenses of service enterprises.

Fourth, it is related to the improvement of accounting methods and control of financial results for service enterprises. This is primarily related to the types of services and methods of accounting for production costs associated with the current application of fair value in the valuation of assets.

After all, the indicators of the period in which the accounting report is converted into a financial report under IFRS can be linked and matched.

Conclusions and suggestions. The following conclusions were formed in the course of scientific research on improving the calculation of financial results in service enterprises in our country:

1. Financial results are only an accounting term that indicates the result of an arithmetic operation. The company always has a financial result: positive (profit) or negative (loss). A zero result is also possible, but rarely happens, as if the company had no activity at all during this period (formation or liquidation phase).

2. Improvement of the accounting system and accounting, including accounting of the financial results of financial and economic activities, is an important condition for the effective development of service enterprises. The financial result is a comprehensive indicator of the company's activity and reflects the efficiency of its activity.

3. Effective financial and economic activity of service enterprises and the stability of its financial situation, if the organization has correctly established accounting of financial results, as well as primary, current accounting and accounting of enterprises it will be possible only if the quality of existing methods of researching new approaches to commercial activity is improved.

4. It is advisable to use the one-stage method used in international standards instead of the multi-stage system for the formation of financial results of enterprises engaged in providing services. Service based on this offer will serve to further simplify the procedure of correct formation of income and expenses and determination of net profit in enterprises.

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