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Organization of Inventory Accounting Based on International Financial Standards

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Abstract

This article discusses the international standards of financial reporting, its requirements and objectives. Also, the legal basis, main tasks and measures aimed at further improving this process are reflected.

Keywords: *Ownership, national standard, investor, entity, financial statement, capital, income, expenses, inventory, investment, tangible assets.*

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INTRODUCTION

Regardless of the form of ownership and network, it is important for all business entities to prepare their financial statements based on national standards based on international standards, and foreign investors will have the opportunity to familiarize themselves with financial statements based on international standards and make their own investment. gives relief on Accounting is an information system that identifies, processes and delivers financial information about a specific business entity to users interested in the financial status of the entity operating in the form of a financial report. The goal of accounting is to satisfy the needs of various users for information with the lowest costs for obtaining this information. It goes without saying that the economic benefits that can be obtained as a result of using an information system for decision-making should outweigh the costs of this system. Therefore, the subject of international standards of financial reporting is economic funds reflected in monetary terms based on international standards, the sources of these funds, their economic activities and financial results.

MATERIALS AND METHODS

Tangible and intangible assets, liabilities, capital, income and expenses, profits and losses and their movement in business entities are the objects of the international standards of economic and financial reporting. Assets are resources obtained as a result of past events and controlled by the enterprise, from the use of which economic benefits are expected in the future. Liabilities are the current debt of the enterprise that arose as a result of events that occurred in previous periods, and as a result of the repayment of these debts, the resources, including the economic value of the enterprise, will decrease. Equity is a company's share of assets after deducting all liabilities. Profit is an increase in capital as a result of the main and non-main activities affecting the economic entity, events, and the capital paid to private capital is an exception. Losses are reductions in private capital as a result of the main activity and all economic transactions, events, conditions, except for reductions as a result of expenses or distribution of private capital. Profitability is used as a basis for measuring operating results or other indicators, such as return on investment, earnings per share. The elements directly related to profit measurement are revenues and costs.

RESULTS AND DISCUSSION

Income is an increase in economic benefits that occurs in the form of an increase or increase in assets or a decrease in liabilities, which ultimately increases private capital, but excludes contributions paid by founders to shareholder capital. Expenditure is a decrease in economic benefits that occurs in the form of consumption or depreciation of assets or increase in liabilities, which ultimately reduces private capital, but does not include the distribution of shareholder capital among the founders.

Inventories - material assets that are held in the course of normal operations for the purpose of later sale and are available in the production process, as well as used in the process of producing products, performing work or providing services, or for the implementation of administrative and socio-cultural tasks.

Inventories have a service life of no more than one year or are used within one operating organization, including construction and repair materials, food products, fuel and fuel, feed and fodder, containers, agricultural products and production items, livestock in cultivation and feeding, materials for educational, scientific and other purposes, as well as laboratory tested, long-term materials, performed on the basis of a contract special equipment for scientific course

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work, etc.

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Inventories are calculated at net sales value at certain stages of production. This is the case, for example, when the sale of agricultural products after harvesting or mining of minerals is guaranteed under a forward contract or state guarantee, or when there is an active market for them and the risk of non-sale is negligible. Only the assessment requirements of this standard are not applied to such inventories.

Broker-traders are persons who buy or sell goods on their own account or on behalf of other parties. Inventories described in clause 3 (b) are purchased mainly for the purpose of profiting from changes in sales and prices in the near future or profiting on the account of broker-traders' margin. If these inventories are valued at fair value less costs to sell, the valuation requirements of this standard are not applicable to them.

This standard uses terms with the following meanings:

Inventories are the following assets:

(a) intended to be sold in the ordinary course of business;

(b) such sale is in process of execution;

(c) assets in the form of raw materials and materials intended to be used in the production process or in the provision of services.

Net realizable value is the selling price in the ordinary course of business less costs of completion and estimated costs necessary to make the sale.

The fair value is the price that could be received in an active sale or paid in the event of an obligation in an ordinary transaction between market participants on the valuation date.

CONCLUSION

In conclusion, it should be noted that in general, based on the requirements of the reforms implemented in the accounting system of budget organizations, we consider it appropriate to pay attention to the following in order to further improve the accounting of goods and material reserves:

Realization of the account of commodity material reserves in strict compliance with the requirements of legal documents; development and approval of separate guidelines for write-off of material stocks in budgetary organizations; approval of the internal accounting policy to ensure timely reflection of material reserves in the correct accounting documents and account

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registers; drawing up a plan of working accounts to reflect the receipt of goods material reserves at the expense of budget funds and extra-budgetary funds. That is, when approving the plan of working accounts, the budget organization can create the relevant sub-accounts of account 06 "Other inventories" separately according to the sources of materials supplied to the organization.

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