CENTRAL ASIAN JOURNAL OF INNOVATIONS ON TOURISM MANAGEMENT AND FINANCE

Volume: 04 Issue: 05 | 2023 ISSN: 2660-454X

https://cajitmf.centralasianstudies.org

The Role of Accounting in the Management of the Company's Activities

[1] **Ibragimova Zarema Zokirovna**

Received 17th Mar 2023,
Accepted 20th Apr 2023,
Online 6th May 2023

[1] Fergana Polytechnic Institute, Assistant, Department of Accounting and Auditing,
z.z.ibragimova@ferpi.uz

Abstract: Currently, many books, textbooks and articles have been written on the role of accounting in the management of the company's activities. This article gives a point of view on the role of accounting in the proper organization of management, on the establishment of its sequence, including some elements between them. The features of the formation of the information base of financial and managerial accounting at various stages of the formation and implementation of the company's strategy are studied. It is based on the relationship of the accounting system with the system of analysis, planning and control. In the conditions of financial and managerial accounting, the formation of an information base for making managerial decisions is considered.

Key words: accounting, reporting, strategic management, management decision-making.

Introduction. Modernization of the economic mechanism of any state is closely related to accounting, analysis and control.

Accounting currently plays a leading role in the organization's management system. In a market economy, accounting requirements are increasing: it must meet the requirements of international standards, meet the needs of users of internal and external information, determine reserves for improving business efficiency, and have a “business language".

Currently, active work and fundamental changes are underway in Uzbekistan in connection with the trend towards the organization of accounting in general and the approximation of internal accounting to world economic practice in particular.

Ensuring the reliability and transparency of financial statements, IFRS imposes high requirements on its informativeness, which is achieved by the method of accounting and financial analysis, which allows assessing the results achieved and the effectiveness of the company's activities, substantiating its development prospects [1]. In this regard, the issue of increasing the informativeness and reliability of information obtained on the basis of interpretation of accounting and reporting data is becoming very relevant and practical.

Enterprise management should be based on a continuous assessment of the financial condition of the enterprise, based on the set strategic goals.

The transition to market relations changes our understanding of the role and role in the accounting and management system. New methodological approaches are being formed to accounting and tax accounting, obtaining final financial information in the interests of external and internal users, monitoring the financial activities of business entities by investors, shareholders and regulatory authorities, conducting audits in organizations.

Analysis and results. Consideration of the development of management accounting in the organization should take place both in general and in private. In this regard, to determine the place of management accounting in the accounting and information system of the organization from the very beginning, it is necessary to refer to the concept of Management accounting.

With the development of competition, manufacturers need to closely link cost accounting, product quality, sales volume, profit level with management, which makes it possible to manage the enterprise more effectively and achieve high final economic results [2]. Meanwhile, there is currently no single standard methodology for accounting and analyzing quality costs.

Modern literature in the methodology of cost management clearly demonstrates a tendency to an accounting approach, especially when developing the principles of their accounting. Quality cost management technologies focused on modern management theories are insufficiently developed. In practice, this does not allow the sale of stocks to improve product quality and reduce its cost [4]. There is no methodological assistance in accounting for quality costs and their calculation, and this slows down the launch of the economic mechanism of the quality management system. The above-mentioned system of estimated cost indicators as a tool of analytical work is insufficiently developed and justified, which makes it difficult to rationalize management processes in order to increase their efficiency.

Therefore, an integrated approach is needed to create a cost management system that includes planning, accounting, analysis and audit at all stages of product movement.

The quality cost accounting system is individual for each enterprise. However, the principles of its organization are common to all enterprises. It is known that they are based on accounting requirements and assumptions, and conversion and forecasting methods can also be used. One of the basic principles — the evaluation of the activity of the structural divisions of the enterprise - is transformed into the principle of evaluating the effectiveness of processes [3].

The meaning of the projective method is to “introduce” the principles of quality management into the existing accounting system. The use of such a methodology allows us to justify and formulate the following principles of accounting for quality costs:

The principle of automation, which, in accordance with the principles of information technology, ensures the necessary efficiency and reliability of information at the stages of the life cycle of the accounting object, its unity and consistency, and thereby organizing information support for all housing and communal services processes, reduces costs, improves the life cycle of the accounting object, the quality of processes, reduces work time;

the principle of the process approach. This makes it possible to generate information about the quality, costs of management processes;

the principle of combining cost accounting for current and strategic quality.

Analyzing the existing models of the cost structure, it can be concluded that the classification of costs should be based on grouping features that allow classifying them from the standpoint of simultaneous quality improvement. the combination of "quality" and "cost" [5], [6]. Such a task can be solved if the company forms a cost model based on a set of approaches [9].

Thus, one of the principles of cost management is the principle of different classification of costs for different management purposes or, in other words, “different costs for different purposes.“

When considering the problem of assessing the effectiveness of quality costs, appropriate measures are analyzed in the following areas:

quality assurance;

quality improvement;

quality management.

Evaluation of economic efficiency in these industries is possible if criteria and indicators for their evaluation are developed. The latter can be considered as a means of implementing the analysis function in quality management [10]. However, the standards of enterprises do not develop criteria and indicators for assessing quality costs, which makes it difficult to conduct analytical work [11].

When developing evaluation criteria, three approaches can be used: cost-to-cost comparison; cost-to-revenue comparison; profit-to-profit comparison.

As part of the first approach, the criterion for the effectiveness of quality costs should use the level of their usefulness [13]. The efficiency indicator in this case is the ratio of quality costs and losses associated with nonconformity. In accordance with the process management concept, it is proposed to calculate quality costs for processes using cost matrices for the ratio of costs to losses or compliance costs to nonconformity costs.

The second approach calculates the economic efficiency of quality assurance in dynamic and static indicators. The latter include: profit by quality; profit margin, expressed as a share of profit from costs. These performance indicators can be calculated both for the company as a whole and for the processes of product creation, thereby increasing the correlation of costs with profit and facilitating the planning of long-term solutions.

In the framework of the third approach, the criterion of economic efficiency can be the level of efficiency, since the ratio of profit from the quality of management as a whole or a separate process to the total income of the company.

To determine the benefits of quality for each process, the following algorithm is used:

the weight (significance) of each product creation process is determined. It is calculated using rating methods, experimental-static, normative, the significance of the process is expressed in the form of a coefficient;

during the reporting period, the quality of each process is evaluated. However, the evaluation of the quality of the process is also expressed in the form of a coefficient;

the degree of quality of the process is set by its weighting factor and multiplied by the total amount of profit by quality. The result is an approximate benefit from the quality of the corresponding process;

the efficiency of quality costs for each process is estimated through the ratio of the profit calculated on the quality of the corresponding process to the costs of the same process.

Cost management as a means of achieving a high economic result by an enterprise is not limited only to reducing costs, but also extends to all types of control. In this regard, one of the urgent problems of theory and practice is the development of new non-traditional accounting and cost management systems, the study of the problems of improving quality characteristics and analyzing information about them. In modern conditions, the level of costs is the most important object of management, so the importance of improving accounting and analysis has undoubtedly increased [7].

Accounting is the basis of accounting and analytical support for cost management and plays an important role in making management decisions in commercial organizations. However, at present, the shortcomings inherent in modern accounting systems have led to the emergence of such industries as strategic management accounting, strategic accounting, the development of which took place within the framework of the natural convergence of accounting and economic approaches [8]. The development of these industries makes it possible to develop basic approaches to the formation of analytical tools for managing production costs and to provide managers with the information necessary to assess the results of a commercial organization.

Strategic Management accounting can be organized on the basis of the value chain concept, which allows you to determine the contribution of each center of responsibility to the results obtained by the organization taking into account external factors, and includes: type of responsibility center (cost centers, shopping centers, profit centers, investment centers); enlarged value chain formed in accordance with industry specifications; detailed value chain (types of activities in the value chain); the basic principle of accounting, which allows you to evaluate the activities of a particular center of responsibility; methods of cost accounting and cost calculation.

The conceptual approaches to the organization of the strategic management accounting system in the organization are as follows: the first approach is aimed at creating a unified system of strategic management accounting of property, cash flows, production costs (works, services), profits, including an environmental monitoring system, a financial monitoring system. and management accounting, strategic planning [12]; the second approach is based on the organization of strategic management accounting of production costs (works, services). In the first approach, analysis, planning, accounting and control are combined into a single process in strategic management accounting. In the second approach, all factors of the external and internal environment of the organization are analyzed in terms of their impact on the amount of production costs (works, services).

Conclusions. The main difference between accounting and management accounting is that management accounting, in addition to accounting, also includes planning and analysis, is a well-established independent discipline, since along with accounting itself it includes analysis, planning, forecasting, etc.

Today, part of the state functions for regulating accounting and auditing are transferred to the professional community, and the system of legislative support for accounting has been simplified.

The creation of a modern accounting model — external financial and internal management accounting at enterprises - primarily means the need to improve such important functions as accounting, audit and economic analysis. As a result, analytical information is generated and used to track, analyze and evaluate accounting information, especially the activities of production units and the enterprise as a whole.

List of used literature:

1. Abduxalimovna, A. Z., & Nabiyevich, I. I. (2021). Organization of Long-Term Asset Accounting on the Basis of International Standards. Central Asian Journal of Innovations on Tourism Management and Finance, 2(11), 86-92.

2. Кудбиев, Д. (2022). Особенности Учета Основных Средств В Узбекистане. Periodica Journal of Modern Philosophy, Social Sciences and Humanities, 11, 142-149.
3. Кундузова, К. И., Давлятшаев, А. А., & Холдарова, Х. С. (2018). Задачи усовершенствования организации бухгалтерского учёта в страховых организациях. In Бухгалтерский учет: достижения и научные перспективы XXI века (pp. 100-103).
4. Kurbonova, S. A. (2021). MAHSULOT TANNARXI HISOBIGA OLISHDA BOSHQARUV HISOBINI TAKOMILLASHTIRISH MASALALARI. Scientific progress, 2(8), 603-607.
5. Солиев, Д. Ж. (2022). Концепция Финансового Контроля В Условиях Модернизации Экономики И Его Роль. Central Asian Journal of Theoretical and Applied Science, 3(6), 54-62.
6. Yakubov, V. G. (2022). MAHSULOT BOZORINI KENGAYTIRISH KORXONANING FOYDASINI OSHIRISH MUHIM OMILI. Oriental renaissance: Innovative, educational, natural and social sciences, 2(Special Issue 23), 852-861.
7. Ibragimova, Z. (2021). BUXGALTERIYA HISOBI TIZIMINING HOLATI VA UNING FAOLIYATINI BAHOLASH. Scientific progress, 2(2), 811-815.
8. Ibragimova, Z. Z. (2021). MHXS BO'YICHA BIRINCHI HISOBOT TAYYORLASH MUAMMOLARI. Scientific progress, 2(8), 596-602.
9. Эрматов, А. А., & Гафурова, М. М. (2022). Совершенствование Учета Собственного Капитала В Условиях Перехода На Мсфо. Central Asian Journal of Innovations on Tourism Management and Finance, 3(12), 8-16.
10. Tohirovich, Q. N., & Ibroximovna, N. I. (2022). RAQAMLI IQTISODIYOTDA EKSPORT VA IMPORTNI SOLIQQA TORTISH XUSUSIYATLARI. Архив научных исследований, 5(5).
11. Солиев, Д. (2023). AYLANMA MABLAG'LARNI SAMARALI BOSHQARISH KORXONA FAROVONLIGINING ASOSIDIR. Ижтимоий-гуманитар фанларнинг долзарб муаммолари/Актуальные проблемы социально-гуманитарных наук/Actual Problems of Humanities and Social Sciences., 3(3), 111-119.
12. Солиев, Д. Ж., Кучкаров, Б. К., & Абдуллаев, Б. Д. У. (2022). ВОПРОСЫ СОВЕРШЕНСТВОВАНИЯ УЧЕТА ЭКСПОРТНО-ИМПОРТНЫХ ОПЕРАЦИЙ НА ПРЕДПРИЯТИЯХ. Oriental renaissance: Innovative, educational, natural and social sciences, 2(6), 565-578.
13. Раззакова, Д. (2022). Системы Автоматизации Бухгалтерского Учета-Основа Эффективного Управления Экономикой. Central Asian Journal of Theoretical and Applied Science, 3(5), 62-67.