

EFFECTIVE WAYS TO IMPROVE THE ACCOUNTING OF FINANCIAL INVESTMENTS IN UZBEKISTAN

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ABSTRACT

The article describes the existing problems in financial accounting in Uzbekistan and their solutions. The article focuses on the important tasks of financial investment accounting and their characteristics, as well.

KEYWORDS: *Financial Investments, Short-Term Investments, Long-Term Investments, International Financial Reporting Standards, Taxes, Accounting, Securities, Loans, Interest.*

INTRODUCTION

Financial investments are the diversion by enterprises of their free cash and other resources into assets in order to generate income not related to the production of products (performance of work, provision of services), and the creation of durable objects. With the help of financial investments, enterprises can also influence or gain control over the activities of another organization.

Financial investments can be made: in the authorized capital of other organizations, in securities, loans, under a simple partnership agreement, and so on.

Financial investments are considered as short-term if the term of circulation (repayment) for them is no more than 12 months after the reporting date. All other financial investments are considered as long-term.

Analysis of the relevant literature

The results of research on accounting of financial investments are described in many scientific literatures.

National literatures provides general methods and techniques of financial investment accounting in companies, but the existing literature does not contain accurate and complete information on accounting with securities, so we have tried to study deeply on this issue in our article.

Research methodology

Dialectical and systematic approach, induction and deduction, analysis and synthesis, observation, logical approach methods were used during the research. In the course of the research, we studied the financial and economic relations between accounting financial

investments in Uzbekistan and other countries, analyzed the influencing factors and developed our proposals and recommendations for improving accounting in this area.

Analysis and results

As a result of the analysis of organizations accounting of financial investments, it was determined that the accounting of financial investments in Uzbekistan should be organized in such a way as to ensure the fulfillment of the following tasks:

- correct execution of documents and timely reflection in the accounting of operations for the acquisition of financial investments and their disposal;
- Timely revaluation of financial investments;
- correct reflection of the formation of the initial cost of financial investments upon their acquisition and disposal;
- Control of the safety of financial investments accepted for accounting;
- The correctness of accrual of income from operations with financial investments;
- Control over the creation and use of reserves for the depreciation of financial investments;
- Correct calculation of taxes related to operations with financial investments;
- conducting an inventory of financial investments in order to identify surpluses and shortages;
- Formation of complete and reliable information in the financial statements on the presence and movement of financial investments.

The main disadvantage in primary accounting in Uzbekistan is that the use of account 06 “Financial investments” in its current purpose does not provide a full opportunity to receive reliable information about investment objects, since financial investments are a process of forming the initial value of financial assets from one organization and financial obligations of the other. For this reason, account 06 should not take into account the financial investments of the organization (as indicated in the name of the account), but objects of financial assets that are fully formed and bring economic benefits from their use, which, by the way, will also meet the requirements of IFRS.

CONCLUSIONS AND SUGGESTIONS

Accounting of financial investments is based on regulatory documentation. In order to improve the accounting of securities, the following is necessary:

- accounting staff should not only have knowledge of the current legislation, but also monitor its changes;
- accounting staff should track and apply changes in accounting;
- Strict observance of the requirements of instructive materials on securities accounting;
- summarizing the experience of improving the methodological support of accounting processes in domestic practice and abroad;

- determination of the most effective and less time-consuming ways of processing accounting information to ensure the accuracy and efficiency of obtaining the data necessary for making management decisions;
- Development and proposal of exemplary forms of auxiliary accounting registers that can be used by enterprises, regardless of size and industry;
- Control over the actions of participants in the securities market in order to limit monopolistic activities;
- Computerization of the stock market and the creation of a single information space to increase the awareness of market entities;
- protecting the interests of investors and, in particular, the need to improve the procedure for registering securities and protecting them from counterfeiting;
- Establishment of clear measures of responsibility of state and commercial structures for violation of the procedure for issuing and circulation of securities.

Also, to solve the problem of using account 06, it is proposed to open a separate sub-account 06-9 "Financial investments" to account 06 "Investments in non-current assets" to reflect investments in long-term financial assets. To account for the acquisition of securities, in her opinion, it is necessary to use account 7991 "Settlements with other debtors and creditors".

Similar changes to account 58 "Financial investments" and the introduction of a new sub-account 08-9 "Investments in long-term financial assets" and account 56 "Investments in short-term financial assets" will allow for more prompt and detailed control by the management of the investor company of the volume of long-term investments on its balance sheet and short-term financial investments.

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