



## CHARACTERISTICS OF ACCOUNTING IN THE ECONOMIC ACTIVITY OF SMALL ENTERPRISES I, PROBLEMS AND IMPROVEMENT

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Article history:		Abstract:
<b>Received:</b>	10 <sup>th</sup> October 2022	It is known that small business plays an important role in the country's economy. As long as small business is successfully operating in the economy , it contributes to the economic and social development of the country efficient affects and _ social tension reduces _ Small business entities for financial of resources farm , given its limited tasks assigned to the managing entity to perform damage keeping accounting records without reporting procedures maximum level simplification the most current is an issue . Small enterprise own activity and management needs, their complexity and employees from number based on the form of accounting himself he has the right to choose . That's it with together , small the basis of enterprise accounting principles in compliance with applicable accounting records own of work to himself special features adaptation can _ Accounting simplified shape set up an account on in reaching small standard Plan of Accounts to enterprises on the basis of accounts the plan make up recommendation will be done . The majority small enterprises for main from problems One of them is the organization of accounting reach necessity right is not understanding . In practice, there are also cases where b uxhalteria policy often inaccurate, without comprehensive analysis, that is, only the tax inspectorate for developed . This and finally, the following basic of accounting duties to perform leading to suspension comes : economic activity processes i and results about full and reliable information formation ; of property existence and movement, rational use of production resources over control provide ; internal identification of production resources ; financial and economic in the activity timely prevention of negative events get _ assess the actual use of identified resources . This article examines the characteristics of accounting in small enterprises, identifies the main problems , and suggests ways to improve accounting.
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Economic accounting in modern business conditions performs one of the most important functions of managing the activity of the managing entity, guaranteeing profit, and ensuring the profitability of financial and economic activities. Enterprises, including small business entities, carry out accounting independently, choosing its form in accordance with regulatory legal documents, taking into account the needs and scope of activity, the needs of management, the number of employees, as well as the current taxation procedure.

Further development of market relations in our country, adaptation of the management system to new requirements in enterprises of various sectors is directly dependent on the rules of the accounting procedure carried out in these entities. "Accounting

consists of a regulated system of collecting, recording and summarizing accounting information by recording all business operations in a unified, continuous, document-based way, as well as drawing up financial and other reports based on it" [1].

Accounting is directly related to the development of human society and its functioning. American scientists professors B. Needles, H. Anderson and practicing accountant D. According to Caldwell: "Accounting is considered as a communication tool between business activities and people who make management decisions" [2]. The history of the formation and development of accounting is inextricably linked with the development of society and changes in the social sphere. Western scientists M.R. Mathews and H.B. In their textbooks, Perera justified



the connection between social development and accounting as follows: "... changes in the social sphere have become the main factor of accounting, in turn, social changes are inextricably linked with the development of accounting" [3].

Uzbek scientist, professor M. The relationship between social life and accounting is also reflected in Ostanakulov's textbook: "Since the basis of social life is the production of material goods, it is necessary to account for the purpose of observing the events occurring in the social life of people, taking into account the labor tools and work items in society, as well as labor processes. used " [4]. A well-known Russian scientist, Professor V.F. Paliy defines the subject of accounting as follows: "... the subject of accounting consists of the processes related to the capital invested as funds in the enterprise's activity, its increase or decrease" [5]. . Harvard University (USA) professors R. Anthony and Dj. In Risler's textbook, the content of accounting is expressed as follows: accounting - "...it is the process of determining, measuring and transmitting economic information for the purpose of reasonable assessment and decision-making by the users of this information" [6] .

The set of accounting methods in small enterprises is reflected in the accounting policy. Current issues that should be reflected in the formulation of the accounting policy include:

- 1) functions and structure of accounting of small enterprises;
- 2) document circulation process and features of accounting data processing;
- 3) systematization of accounting and tax accounting;
- 4) a working plan of accounting accounts, including synthetic and analytical accounts necessary for keeping accounting records in accordance with the requirements for the timeliness and completeness of accounting and financial (accounting) reporting;
- 5) primary accounting documents and accounting and tax accounting registers, which are used for registration of economic activity processes and do not include model forms of primary accounting documents, as well as internal accounting forms;
- 6) other decisions necessary for business operations.

It should be noted that accounting in small business entities is distinguished by some features that are not typical for medium and large enterprises :

1. Separation of accounting employees according to the division of labor will be partial or incomplete. In most cases, accounting is performed by one official (accountant), and in some cases, the accounting service works as an independent structural

unit.

business entities with a large number of counterparties, a wide range of manufactured and sold goods, and a significant number of employees, the accounting department works as an independent structural unit consisting of several employees, each of which is allocated a group of accounts, for which data is collected, processed, in accounting accounts. - reflected and accounting registers are created. However, it should be noted that the control function in small enterprises is limited to the specified accounting area, as a result of which systematic conscious or accidental errors occur in accounting. It follows that, on the one hand, the chief accountant is a person interested in distributing the work of employees in order to increase responsibility for results, on the other hand, taking into account the specific characteristics of the activities of small enterprises, the work of only highly specialized employees becomes inappropriate, because in this case only a small number it will be necessary to ensure that various business transactions are recorded.

In order to solve problems of this type, the head of the enterprise and the chief accountant should rely on the qualification reference of the positions of specialists and other employees, which ensures the correct selection, placement and use of - employees, an effective mechanism for defining functions, powers and responsibilities among employees, as well as tasks and qualification requirements. helps to determine uniform approaches to marking.

2. The chief accountant or accounting department employee performs relevant and unusual functions that should be performed by other departments of the business entity. In small enterprises, the accounting department often performs the tasks of working with employees, solves legal problems, prepares projects and contracts, compiles a set of documents, creates business plans and performs other functions of financial management.

3. Significant impact of tax and taxation legislation on accounting. Since small enterprises have limited financial and technical capabilities to manage financial, management and tax accounting at the same time , small enterprises are forced to give priority to one of these accounts and, as a rule, tax accounting .

4. Small businesses depend on standard accounting automation software, which makes it impossible to adapt to the specifics of the business entity. Undoubtedly, the use of software products in accounting can significantly facilitate and reduce the



paper work of the accountant, but at the same time, there is a decrease in the level of understanding of the employees' accounting operations, the principles of double-entry entry, etc.

In this regard, as the researcher E.N.Potekhina has noted, the following are the common problems inherent in the management of accounting in small enterprises :

1) the absence or imperfection of the structure and functions of the accounting department of the enterprise;

2) taking into account special taxation regimes, the main elements of the accounting policy of the economic entity, which help to determine the relationship between accounting and tax accounting, are not analyzed[7].

According to another researcher A.A. Popova, as an important problem of accounting for small businesses, it is necessary to optimize the process of accounting for income and expenses in accordance with the requirements of tax legislation, in particular, the use of the general taxation system for the calculation of income tax, activities under special tax regimes separate accounting by types [ 8].

The main element of the accounting policy of any economic entity is the working plan of accounts, which includes synthetic and analytical accounts used in accounting in accordance with the requirements for the completeness, timeliness and reliability of accounting and reporting.

Today, the model Chart of Accounts and the Guidelines for its application are used for the accounting of the financial and economic activities of economic entities, and on the basis of them, regardless of the ownership and organizational-legal form, accounting should be carried out in accordance with the double-entry entry method in all economic entities.

Two issues are of great importance in the development of the accounting policy in small business : the first is to use forms other than the officially defined forms of initial documents or to make additions to the officially defined forms. determining the order of circulation of documents in accounting of the enterprise, and the second. development of the working account plan of accounting in the enterprise.

When using the simplified system of accounting, it is allowed to adapt the used registers of economic accounting to the characteristics of its activity. But it is necessary to comply with the following requirements:

- to the unified methodology of accounting, to the principle of double-entry accounting;

Analytical calculation to the interconnection of

synthetic calculation data;

- all economic transactions are fully reflected in account registers;

- to maintain the account based on the initial documents;

- to collect and organize the necessary indicators for the preparation of financial reports of initial documents.

Accounting is divided into the following stages:

- complete documentation of all economic operations by drawing up relevant initial documents;

- entering the data in the initial documents into account registers;

- preparation of financial reports.

The company's accounting policy should take into account the above-mentioned aspects. For example, the accounting policy sheds light on the specific aspects of creating and using initial documents in the enterprise: what initial documents are created in the accounting process, who creates and signs them, who processes the documents, details of the documents, etc.

It should be noted that the procedures of the simplified accounting system are defined in the National Accounting Standard of the Republic of Uzbekistan No. 20 (BHMS), which is called "On the procedure for simplified accounting and reporting by small business entities" [9]. Clause 1.2 of the standard states that it applies in line with the general rules established by the requirements of the Law on Accounting , but does not mean a departure from the requirements of the standard accounting. As stated in paragraph 22 of the standard, it is used together with other national accounting standards for the purpose of detailed reflection, measurement and disclosure of separate operations and events.

However, this standard has the following disadvantages:

- changes in the standard Chart of Accounts are not taken into account , which, of course, makes the proposed working chart of accounts impossible for the business entity to use. The developed corrections are of a fundamental nature, because in some cases they change the process of reflecting the facts of economic activity, and it is impossible to mechanically replace old numbers with new ones.

The developed version of the working chart of accounts was compiled using a simple summation of the synthetic positions of the standard Chart of Accounts and did not take into account the specific characteristics of the business entity.

Practitioners and researchers express many different views on the use of a single standard Chart of Accounts for all sectors of business. In particular, in



the opinion of E.N.Potekhina, the role of the single Chart of Accounts serves the purposes of both financial and management accounting; the financial account is connected with the accounts reflected in the balance sheet, and the management account is connected with the accounts without balances and turnovers [ 7]. E.E. Koba says that the single chart of accounts makes it difficult to reflect the unique characteristics of a manufacturing enterprise [ 10].

In the development of new accounting standards, the opinions of both the above-mentioned practitioner-researchers should be taken into account, because there are general rules on the application of the standard Chart of Accounts for ensuring the unity of the reflection of the facts of financial and economic activity, assets and liabilities, reporting , but at the same time the standard Accounts when applying the plan, it will be difficult to take into account the specific characteristics of different sectors of the economy. Business entities can take into account the specific features of their activities as much as possible when developing the working plan of the account. In order to provide methodological assistance to small business entities, it is important to develop a regulatory legal document that reflects the characteristics of the business entity and the specific features of accounting .

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