World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 33, April, 2024
ISSN: 2749-3628,

APPROACHES TO THE NATURE OF BIOLOGICAL ACTIVITIES AND THEIR CLASSIFICATION

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Article history:

Received: 11th January 2024
Accepted: 7th March 2024

Abstract:

The article discusses scientific research conducted in foreign countries on the assessment of biological assets. The possibilities of using foreign experience in the practice of farms operating in our republic are shown.

Keywords: biological assets, agricultural products, valuation, historical cost, fair value, farm, international accounting standard.

INTRODUCTION

It is known that on February 24, 2020, the Decision of the President of the Republic of Uzbekistan No. PQ-4611 "On additional measures for the transition to international standards of financial reporting" was adopted [1]. In order to ensure the implementation of this decision, as a result of the reforms implemented in order to introduce the international standards of financial reporting (IFRS), new terms such as "biological assets", "agricultural products", "biological transformation", "agricultural activities" entered the field of accounting. Therefore, biologically It is important to correctly understand and interpret the meaning of these terms when accounting for assets and reflecting them in financial statements.

PQ-4611, business entities (joint-stock companies, commercial banks, insurance organizations and legal entities belonging to the category of large tax payers) are required to organize accounting and prepare financial statements on the basis of IFRS from January 1, 2021. This too requires the accounting of biological assets as a separate accounting object.

In international practice, the procedure for accounting agricultural activities, in particular biological assets, and reflecting them in financial statements is carried out on the basis of the procedures established in the international accounting standard (IAS) 41 "Agriculture". It is mentioned in this IAS 41 that "Agricultural activity is the management of the biological transformation of biological assets and the collection of agricultural products for sale or conversion into agricultural products or additional biological assets by the organization" [2]. It can be seen that biological assets are the main object of accounting of agricultural activity in business entities. Of course, agricultural output is also an item of account, but since it is also an asset assembled from biological assets, biological assets are the main item of accou, interpretations and approaches to the concept of biological asset as an object of accounting and an element of financial reporting are presented in normative legal documents and scientific and educational works of economists. In particular, "Biological assets are living animals or plants" [2].

In the budget accounting standard (BAS) 5 "Agriculture" "biological asset - animals or plants" [3] defined.

LITERATURE REVIEW

Foreign economist N.N. Agoshkova stated that "Biological asset is an animal or plant capable of producing agricultural products or additional biological assets in the process of biotransformation, thereby bringing economic benefits to the organization" [4].

Economist V. F. Pali believes that "biological assets are plants and animals used for agricultural activities, that is, to sell, exchange or increase their number in order to obtain agricultural products now and in the future" [5].

In addition, economists of our republic have also studied some aspects of accounting for biological assets and reflecting them in financial statements. In particular, according to the approach of Economist B.Yu. Menglikulov, "Biological assets are living plants or animals that produce agricultural products or other biological assets, in which biotransformation is used." [6]. At the same time, an economist explains the term "biotransformation" as follows: "biotransformation is a qualitative and quantitative change in a biological asset as a result of the process of growth, reproduction, production and reproduction" [6].

By Z.U.Makhammadiev, an expert in the field, "Biological assets are working and productive animals that have unique biological properties at the disposal of enterprises, which are managed by them for the purpose of obtaining economic benefits by acquiring, exchanging, leasing new biological assets and agricultural products, and many are annual plants" [7]. In our opinion, working and productive animals and perennial plants are not managed, but the biological

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Available Online at: https://www.scholarexpress.net
Vol. 33, April, 2024
ISSN: 2749-3628,

transformation of these biological assets and the process of harvesting agricultural products are managed.

Research shows that the process of biological transformation is not only the process of growth, procreation, production and reproduction. Because this process includes degeneration. That is, a decrease in the amount of biological assets or a deterioration in their quality also occurs in the process of biological transformation. As a logical continuation of our opinion, we quote the opinions of foreign economist L.F.Sitdikova. In particular, the economist said, "Many definitions of biotransformation in scientific literature state that this process consists of four stages: growth, degeneration, production and reproduction (increase in the process of reproduction). In our opinion, this is not a very valid approach, because biological assets may not go through all four stages: if biological assets are in the growth phase, degeneration is not possible, because these are mutually exclusive states. The increase of biological assets allows the production of agricultural products" [8], classifying the process of biotransformation into growth and degeneration and describing it as follows (Table 1).

Table 1
Biotransformation process

T/r	Process name	Content
1	Growth process	increasing the amount or improving the quality of biological assets
2	Degeneration	decrease in quantity or quality of biological assets
3	Production	obtaining agricultural products
4	Increase	obtaining new biological assets

Also an economist scientist take went studies as a result of «biotransformation - productivity and productivity increase through the most big economic the effect get in order to stable comfortable the conditions create through a person effect to do possible was a village economy animals and of plants biological changes process » [8] said to the conclusion will come.

MAIN PART

It can be seen from the definitions and approaches given to the concept of biological assets in the above regulatory legal documents and scientific and educational works of economists that biological assets can produce agricultural products, be able to produce additional biological assets, undergo biological transformation, bring economic benefit, and in the future, the enterprise they focused on their unique features, such as usability. Of course, their approach is worthy of attention. However, it does not fully reveal the essence of biological assets from the accounting point of view. Therefore, it is appropriate to approach the concept of "biological asset" from the point of view of accounting as an object of accounting and an element of financial reporting as follows, in this regard, the approach of economist A.S. Boltaev is noteworthy: "Biological asset is the production of agricultural products and additional It is an asset used in financial and economic activities related to the acquisition of biological assets, which can be reliably evaluated and controlled, and which will bring economic benefits in the future. [9] .

"Biological to the concept of" asset " above normative - legal in the documents given definitions and economist of scientists approaches A. S. Boltaev approach the following aspects with differs. First, biological from the asset village economy product work release and addition biological assets get with depends finance - economy in the activity use as a result growth (biological assets the amount increase or quality improve) or repeat work release in the process increase (add biological of assets with), depends biological transformation process happened will be As a result, agricultural products and a new biological asset are obtained. For example, livestock is considered a biological asset in business entities engaged in agricultural activities. If the milk obtained as a finished product from these cattle is considered an agricultural product, the resulting offspring (calf) is a new biological asset. Secondly, if the value of a biological asset is reliably estimated, it is recognized as an asset and reflected as an element of financial statements only if there is a possibility of complete control over it and the possibility of future economic benefits related to it.

It should be noted that in the recognition, evaluation, accounting and financial reporting of biological assets, their correct classification by each group is important. Because timely, complete and correct documentation of transactions for various groups of biological assets at each stage of business processes related to financial and economic activities in business entities, accounting in account registers and reflection in financial statements, makes it possible to make rational management decisions about them. In particular, paragraph 41 of the Federal Law No. 41 "Agriculture" stipulates that the organization must ensure the classification of each group of biological

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Vol. 33, April, 2024
ISSN: 2749-3628,

assets, while paragraph 43 of it specifies the classification of each group, distinguishing biological assets intended for consumption and productive by the business entity, or matured and unripe biological assets. It is recommended to provide a quantitative classification. At the same time, in clauses 44-45 of IAS 41, biological assets are classified as consumable and productive biological assets, as well as matured and unmatured biological assets.

the assets recognized as biological assets are not listed separately. Only working and productive animals and perennial plants are covered as capital assets, and animals in cultivation and rearing as commodities are covered.

Studies show that economists have different views and approaches in this regard. For example, foreign economists K. Khushvaktzoda and D. Nazarov noted that "IAS 41"Agriculture" allows to group biological assets according to their purpose and period of collection or use" [10], reflecting the procedure for grouping biological assets as follows makes (Fig. 1):

Biological assets			
Intended for consumption	**Productive**	**Done**	**Not done**
Cultivation			
- wheat; -corn; -grain crops; - root crops	-vineyards; -fruity and berry -fruity plants; - fruit trees.	-vineyards; -fruit trees; -fruit and berry-bearing plants; - vegetables.	-vineyards; -fruit trees; -fruit and berry-bearing plants; - vegetables.
Animal husbandry			
-cattle; -beef cattle; -cattle for sale; -fish for sale.	-dairy cattle; - sheep and goats raised for wool.	- to sow raised cattle	- young animals being raised and raised

Figure 1. Grouping of biological assets of the organization producing agricultural products in accordance with IAS 41 [10]

foreign economists Iluta Arbidane and Iveta Mietule , "Biological assets can be classified according to several characteristics: according to the time of use or the time of preparation for use;

- according to signs of maturity or maturity;
- according to the possibility of receiving economic benefits several times, that is, additional biological assets and agricultural products [11].

The above classification of biological assets has been economically substantiated by economists, describing each type. That is, they say that the first two types of classification of biological assets are the most useful from the point of view of accounting, agricultural companies that want to increase their income should use the third type of classification of biological assets.

1) Economist L.F. Sitdikova said, "The purpose and main purpose of biological assets in agricultural production is to obtain new products as a result of biotransformation. The results of agricultural production depend on the level of use and implementation of biotransformation opportunities. It is necessary to pay special attention to the gradual formation, use and obtaining of the results of the agricultural production process. Based on the above, it is possible to distinguish the following life stages of biological assets and consider them from the point of view of accounting: formation of biological assets;

2) use of biological assets and obtaining agricultural products;

3) sale of results of use and outflow of biological assets" [8].

Economist N.N.Agoshkova stated that "according to the period of use in the production process and the nature of consumption, biological assets can be divided into current and long-term assets" [4]. causes (Fig. 2).

CLASSIFICATION MARKS	**CLASSIFICATION GROUPS**
Maturity status of biological assets	***Mature assets*** *have the ability to produce.* ***Unrealized assets*** *have no yield status*
Nature of use of biological assets in	***Productive assets,*** *the use of which allows you to get*

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production	*products over and over again.* ***Consumable assets*** *are collected and used in the form of products in one production cycle.*
Type of economic activity	***Biological assets in horticulture*** *(perennial trees: apple trees, pears, plums, currants, raspberries, grapes, etc.).* ***Livestock biological assets*** *(productive and breeding cattle, pigs, sheep, goats).* ***Biological assets in fisheries*** *(fish, shrimp, edible seaweed)*
Quality characteristics of long-term biological assets	*Type, sex, age, breed of animals. Types, varieties, service life of perennial trees*

Figure 2. Classification scheme for long-lived biological assets [4]

Z.U. Mukhammadiev, one of the economists of our republic, said: "In our opinion, in our national standards for biological assets, taking into account their types existing in our republic, their specific groups and the composition of these groups should be specially defined. In our opinion, the composition of biological assets presented in the IAS 41 "Agriculture" is not complete. The composition of biological assets presented in the standard does not fully reveal the types of biosphere creatures that exist in all regions of our planet, such as in our country" [7], relying on the IAS 41 "Agriculture", the composition of biological assets and agricultural products obtained from them in our national standard and considers it expedient to define them by grouping them according to the fields of crop production.

Economist B.Yu.Menglikulov, paying attention to the importance of methodological aspects in the application of the IAS 41 entitled "Agriculture", "It is necessary to develop national network standards for the calculation of biological assets and the results of their biotransformation, and to strengthen the concept of biological assets normatively". For the purposes of developing a national network standard for accounting of biological assets, the following concepts should be scientifically substantiated and clarified, allowing to increase the quality level of information in the practice of network accounting» [6] and describes biological assets by classifying them into long-term and short-term biological assets according to the order of their use and accounting.

Thus, the above foreign and our country's economists described the biological assets based on the requirements of the IAS 41, classifying them according to the field of activity, the period of use, intended for consumption, productive and maturity levels. Of course,

Table 2

Classification of biological assets as an accounting object in business processes

Business processes	Movement in financial activity	Classification marks	Classification group	Accounting operations by symbols (group categories as accounting objects)
Supply process	Income of biological assets	Economic content	A long-term asset	- acceptance-transfer from the composition of capital investments; -purchase under a sales contract; -contributions of the founders to the authorized capital; -received for free (under a gift contract); - included as a result of exchange and other operations.
			Current asset	
Production process	Use of biological assets in financial activities	Field of use	Farming	-taking into account the costs of maintaining biological assets and obtaining products; -recognition of new biological assets and agricultural products at fair value and reflected in financial statements; -accounting for gains and losses resulting from the initial recognition of biological assets and agricultural products and changes in their fair value less costs of sale and reflecting them in the financial statements.
			Animal husbandry	
			General economic activities	
		Expiry date	Long term	-Depreciation calculation and accounting for long-term biological assets; -revaluation of long-term biological assets and reflecting its results in the accounts.
			Short term (current)	- writing off biological assets at fair value to production costs; - carry biological assets to cost at fair value by product type.
		Direction of use	Intended for consumption	- taking into account the production of biological assets;

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Vol. 33, April, 2024
ISSN: 2749-3628,

their approaches are both methodologically and practically significant. However, their approaches mainly reflect the unique characteristics of biological assets. This makes it impossible to take into account the action of biological assets at each stage of business processes as an object of accounting and an element of financial reporting in business entities and to reflect them in financial reporting. Therefore, in the opinion of the economist A.S. Boltaev, it is appropriate to classify biological assets as an object of accounting as follows, separating them according to business processes and activities in financial and economic activities [9] (Table 2).

Table 2 shows that in the classification of biological assets as an accounting object, classification groups and classification symbols for business processes and movement in financial activities are presented. In particular, operations related to the input of biological assets are taken into account in the supply process of business processes and are reflected in the financial statements as long-term or current assets, depending on their economic content.

In the process of realization, the output of biological assets is taken into account according to the directions of output. That is, it takes into account the accounting transactions related to the sale of biological assets and outflows as a result of other operations, and financial results are formed and reflected in the financial report.

Thus, the following conclusions and proposals were formed as a result of the research conducted on

				- taking into account the production of productive plants; - accounting for biological assets as agricultural products.
			Productive biological assets	- taking into account the production of productive biological assets; - taking into account depreciation amounts charged to productive plants; - revaluation of productive biological assets at fair value.
		Usability	Adult	- transfer of consumable biological assets with the nature of production into short-term biological assets; - transfer of productive biological assets to long-term biological assets; - transfer of productive plants to the composition of the main means.
			A minor	reflect the costs of the formation of biological assets
Implementation process	Is the output of biological assets	Exit directions	Realization	- realization; - upon termination (at the end of useful life, termination as a result of natural disasters, unclean dead and forced slaughter and other events); - when exchanged; - exits when given free and as a result of other operations; - formation, accounting and financial reporting of financial results related to the outflow of biological assets.
			Discharge as a result of other operations	

In the production process, economic operations related to the use of biological assets in financial and economic activities are taken into account. In this, biological assets are classified according to the field of use, duration of use, direction of use and usability separately and reflected in the financial statement.

the description and classification of assets related to the activity of biological assets in agricultural enterprises as an accounting object and an element of financial reporting:

firstly, the main object of accounting of agricultural activity in business entities is biological

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Available Online at: https://www.scholarexpress.net
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ISSN: 2749-3628,

assets. For this reason, definitions and approaches to the concept of "biological asset" as an object of accounting and an element of financial reporting in normative legal documents and scientific and educational-methodological works of economists were studied;

secondly, the concept of "biological transformation" was described and the changes occurring in biological assets during biotransformation were described in a classified manner;

thirdly, the approaches of foreign and national economists to the classification of biological assets were studied, and their classification as an accounting object and element of financial reporting was studied by dividing biological assets into groups according to their movement in business processes and financial activities in business entities

CONCLUSION

In our opinion, the proposed categorization of biological assets allows accounting operations and accurate formation of financial reporting indicators in terms of their business processes and movement in financial activities. This ensures the detail, objectivity and reliability of accounting information related to the accounting of biological assets and their reflection in financial statements.

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