



THE IMPACT OF THE DIGITAL ECONOMY ON ACCOUNTING

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Article history:	Abstract:
<p>Received: January 2nd 2022 Accepted: February 2nd 2022 Published: March 8th 2022</p>	<p>Currently, accounting activities are in a phase of gradual development and introduction of new digital technologies. Thanks to the automation of accounting processes, most companies try to optimize all contractual activities. The digitalization of the economy creates opportunities for the creation of a national accounting system, which collects indicators characterizing the state of internal socio-economic processes of the company. The article examines the impact of digitalization on accounting, emphasizes its popularity with the use of blockchain technology and the advantages of its application.</p>

Keywords: Optimization, trend, digital economy, accounting, blockchain system,

MAIN PART.

Nowadays two trends have formed:

- the obvious reason;
- informative cause for concern.

The first is associated with a decrease in interest in traditional financial accounting information. Investors and managers are increasingly using data for decision-making, information alternative to financial accounting, or modified indicators such as economic value added, balanced scorecard, etc. Insufficient satisfaction with the information product of accounting leads at the theoretical level to constant attempts to identify new types of accounting (social, behavioral, actuarial, etc.). This trend is also confirmed by the dynamic development of non-financial reporting. Over the past 10 years, the number of tools defining the requirements for sustainable development reports has increased 6.5 times (7 times for mandatory reports, 5.4 times for voluntary reports) [3]. A negative trend is that professional and academic communities are concerned about doubts about the relevance of the accounting profession in the future, which is also confirmed not only by the notorious mentions of accounting in the list of "endangered" professions.

The development of the digital economy has an impact on all types of human activity, including accounting processes, in the context of which accounting as a science and as a sphere of human activity has undergone significant changes over the past few decades with the advent of innovations in information transmission and storage technologies. The development of digital technologies makes it possible to significantly speed up the process of collecting information, increase the speed and volume of processing and storage, as well as create conditions for the availability and efficiency of information for users, while the quality of information is significantly improved. However, we see that in practice the

development of accounting is much faster than its methodology, which is primarily due to the improvement of accounting tools, namely, the use of new digital technologies for the transmission and storage of information.

Digitalization is important for significantly improving both the characteristics of accounting information and the possibilities of its use. Studies of the results of digitalization of accounting at the current stage by analyzing software, databases used in this area, and the principles of their configuration and construction, have shown that digitalization significantly affects its two aspects simultaneously:

- Technologies for collecting (obtaining) the necessary information, storing it and transmitting it to interested users;
- Methodology of systematization of information, that is, the essence of accounting itself or accounting methodology [1].

Technologies for accumulating the necessary information, storing it and transmitting it to interested users are modern information systems that are mainly implemented by creating and maintaining databases.

Information systems are constantly being improved and their development can take into account:

- 1) from the point of view of technological development – the emergence of a new technical base that contributes to the development of new information needs;
 - 2) from another point of view – the improvement of automated information systems (AIS) themselves.
- The accounting method is based on the simultaneous application of the following historically established and developed accounting technologies (methods):
- Methods of primary observation: inventory, documentation;



- Cost measurement methods: calculation and evaluation;

- Organization and optimization capabilities: billing and double entry;

- Methods of generalization: balance sheet and accounting [7].

Let's consider one of the most effective and popular areas of digitization of accounting. Over the past decade, the concept of "blockchain" has become increasingly popular in accounting. This technology is a continuous sequence (list) of blocks created according to the necessary rules. Such a chain of data blocks allows the user to store information in a distributed manner. Each subsequent block in the system, in turn, is uniquely associated with the previous block, which is recorded with a digital signature, which eliminates any possibility of data modification. This technology has huge potential in the field of accounting. Blockchain has so far received the highest benefits in many areas: Blockchain has a number of important properties for accounting:

- security and constant data accounting;

- personal restricted access to certain data;

- the reliability of the information provided in the blockchain, in the absence of trust in the counterparty;

- high speed and accuracy of transactions.

The information created in the blockchain can be trusted even if there is no trust in the counterparty, since the transaction is carried out only if it is approved by both parties. Subsequently, this information is protected from changes

With the introduction of blockchain technology into the organization's accounting, the need for inventory with counterparties is eliminated, since the formation and write-off of accounts receivable and accounts payable will occur simultaneously in the same assessment at the time of the transaction. The accountant's role will be to correctly classify the acquired or transferred assets and record the corresponding income or expense.

It is possible to create blockchain technology within organizations. As a result, the release of inventory items from storage locations is automatically reflected at the recipient and debited from the sender. Real-time operational accounting, absence of primary documents.

Blockchain allows us to effectively fight fraud. Tax evasion becomes impossible as all transactions will be digitized.

Disadvantages of blockchain technologies

1. The effect of slow work with an increase in users.
2. Lack of legislative regulation.
3. High power consumption.

4. Lack of specialists of the required level

The development of digital technologies increases the value of skills in accounting, as well as in related fields. This is due both to the factors of the development of the digital economy, and to the increasing role of the descriptive method of accounting and the spread of professional judgments. In the theoretical field, digital technologies stimulate competencies as developed forms of knowledge that provide a holistic overview of the laws of economic relations and explain the methods, techniques and rules for implementing the accounting process.[1] In practice, digitalization leads to the development of skills in digital form. In the field of methodology, it is assumed that knowledge at the junction of fundamental theoretical issues of the accounting process with a simultaneous reliable understanding of the functioning of the digital economy as a whole and its individual elements is particularly in demand.

The proposed conceptual model of accounting assumes an integrated approach, which is provided through the implementation of a number of interrelated elements. In the conditions of the information society and the digital economy, a number of conditions arise for the formation of a new accounting paradigm.[6] However, the ideas identified by scientists as new areas of accounting in the scientific literature represent on a broader scale only concepts, research approaches and the development of various types of accounting. In connection with the development of hybrid and intangible forms of capital, the virtualization of monetary and non-monetary units of value, the expansion of non-financial target characteristics of the activities of economic units, the main trends in the development of accounting objects, criteria for their collection and indicators are established.

The need to expand the content of accounting information at the expense of non-financial parameters of the company's economic activity, including social responsibility, corporate environmental safety, organization, innovation, human resources, reputation capital, strategy and quality of management, both internal processes and the state of external ones, was justified. In the digital economy, accounting should be clearly positioned as an element of the system for receiving, processing and transmitting business information in order to maintain its relevance and demand for the advertised product. Otherwise, there is a significant risk that it will "dissolve" in modern electronic information systems, dynamically developing its field of activity and expanding quite aggressively. To do this, you need to clearly understand the place, role and functionality of accounting. The systematic



approach eliminates a number of uncertainties regarding the prospects of accounting, allows you to determine the future skills in demand and direct the appropriate training of specialized specialists in the field of mental reflection of the digital economy, and also contributes to improving the reputation of the company.

Thus, it can be concluded that modern trends require the use of digital technologies in all areas of economic development. The field of accounting needs innovation most of all. One of the ways to implement it can be blockchain technology, which solves numerous problems in accounting for financial and business transactions.

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