



**THE REVALUATION OF FIXED ASSETS OF RAILWAY TRANSPORT ENTERPRISES AND
THEIR
PHASE IN THE CONTEXT OF INNOVATIVE DEVELOPMENT**

Fayzihodjaeva Mavluda Lutfullaevna

Ph.D., docent, Department of "Transport Economics", Tashkent State Transport University

Ermatova Dilnoza Akhmadzhonovna

assistant of the department. "Economics of Transport", Tashkent State Transport University

ABSTRACT

This article reveals the issues of revaluation of fixed assets of railway transport enterprises and their phase in the context of innovative development.

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Introduction

Capital in railway transport, as an economic category, has an important methodological feature to describe the process of modernization of equipment and systems. The concept of capital is more widely used in the practical activities of economists. A deeper study of these categories is important for understanding the production relations that arise in order to increase its efficiency in the activities of any business entity in the context of market relations.

In our opinion, the study of issues related to the use of the concept of "capital" should focus on the work of the following researchers: A.Smith, D.Ricardo, K.Marks, P.Samuelson, V.Nordhaus, S.Fisher, R.Dronbush and R.Shmalenzi . In recent years, research by local scientists has focused on this issue.

Most of the research of scientists is not focused on a radical change in the concept of capital, but on

the interpretation of some concepts and the disclosure of their features in the process of use.

"Capital" as an economic category is described in economic terms as follows:

- the basis of the existing production and economic relations between producers and consumers in the implementation of the production process, between different production companies, on its distribution and redistribution;
- the value that characterizes the economic achievements of the business entity over a period of time;
- production resource used in the management process, along with other resources;
- investment resource used for its restoration; used private property;
- Entrepreneurial risk-taker, but advocating an attempt to eliminate (partially or completely) it, or reduce its efficiency;
- a resource that is used in economic activities during the cycle and changes its form;
- The result of the owners' investments in order to get the most out of its use in business activities;

Fixed assets for participation in production are divided into production and non-production funds. The Regulation on the Procedure for Revaluation of Fixed Assets as of January 2001 provided for two methods of revaluation of fixed assets: [1]

- the method of indexation of the initial (replacement) value of certain objects, using the indices of change in the value of fixed assets, stratified by type of fixed assets and the period of their acquisition;

- The method of direct revaluation of the value of individual objects at market prices, documented for new objects, similar to those being evaluated, formed by January 1 during the revaluation period.

When using this method, the following can be used at the discretion of the organization to document the full replacement value of the items:

- Information on prices for such products, obtained in writing from manufacturers and their official dealers, commodity exchanges, real estate exchanges:

- information on the value of fixed assets in the media on the date of acquisition (if there is a supporting document), using the calculation coefficient, determined as the ratio of the exchange rates of the Central Bank between the date of revaluation and the date of acquisition of fixed assets;

- information on the level of prices available in the relevant government agencies;

- information on the price level published in the media and special literature during the revaluation;

- Expert opinions on the value of fixed assets.

Enterprises independently choose the methods of revaluation of fixed assets. The revaluation is carried out independently by the enterprise or involves experts who have the right to engage in valuation activities in accordance with the legislation.

Transactions that result in a change in the initial cost of property, plant and equipment include:

- revaluation (additional valuation, reduction).
- additional construction, additional equipment.
- reconstruction, modernization;

— partial termination.

The following fixed assets will be revalued:

- fixed assets belonging to the enterprise on the rights of ownership, management, operational management and financial lease (leasing), regardless of their technical condition;

— operating, unused and conserved facilities;

— fixed assets prepared for write-off, but not formalized in the manner prescribed by the relevant acts;

— unfinished facilities and equipment for installation The initial cost of fixed assets (AV) can be periodically revalued to determine their real value over a period of time, taking into account inflation.

The value after the initial value is revalued is called the replacement value.

Revaluation The government of the republic or the owners, all other enterprises, must revalue the fixed assets annually.

from January, micro-firms and small businesses will be required to revalue fixed assets once every three years. All other businesses had to revalue their fixed assets each year.

From January 1, 2021, the mandatory revaluation of fixed assets for all business entities was abolished on 30.12.2020. PQ-4938- number

Law No. ZRU-659 of 30.12.2020 amended Article 306 of the CC, according to which from January 1:

- Depreciation expense is determined from the initial cost of property, plant and equipment for tax purposes, excluding revaluation;
- For the purpose of income tax calculation for fixed assets on the balance sheet as of the end of 2020, the initial value is the value of AV reflected in the balance sheet as of January 1, 2021.
 - It may include the results of previous revaluations conducted before January 1, 2021;
 - For AVs admitted to the balance sheet after January 1, 2021 - the initial value formed on the date they are reflected in the balance sheet;
 - When revaluation after January 1, 2021, its results are not taken into account in the calculation of depreciation for tax purposes;
 - The initial cost of depreciable assets changes when capital investments are made in accordance with the accounting legislation.

The abolition of mandatory revaluation does not mean that organizations may or may not conduct voluntary (on an initiative) revaluation of AV in accordance with their accounting policies for accounting purposes. Whether or not to revalue fixed assets as of January 1, 2021 - the management of the enterprise decides in accordance with the accounting policy for the purposes of accounting for 2021.

Conclusion

The abolition of mandatory revaluation does not mean that organizations may or may not conduct voluntary (on an initiative) revaluation of AV in accordance with their accounting policies for

E-mail address: info@researchparks.org

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