



MANAGEMENT ACCOUNTING IN CONDITIONS OF MODERNIZATION OF THE ECONOMY

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ABSTRACT

This paper makes analyses of the management accounting in conditions of modernization of the economy. Therefore, evidences from Uzbekistan were stated to make better analyses of the management accounting. In conclusion, accounting and management points of the economics and modernization were stated. Outcomes and shortcomings were mentioned in the final points of the analyses.

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1. Introduction

One of the important directions of economic reforms carried out in the Republic of Uzbekistan is the improvement of the management of enterprises and organizations. As noted, the President of the Republic of Uzbekistan Mirziyoyev Sh.M. one of the most important tasks of ensuring the growth of our economy at a steady pace is to support and stimulate entrepreneurial activity, further enhance its role in enhancing the country's economic power, strengthening peace and stability, and harmony in society (Baxtishodovich, Suyunovich, & Kholiqulov, 2017; Bloom, Canning, & Chan, 2006; Santarelli, 1998). It is not in vain that it is said that an entrepreneur works for the benefit of not only his own and his family, but also that of the whole nation and state. He also emphasized the following statement: "If the people are rich, then the state will be rich and strong."

In fulfilling this task, a clearly defined policy is of great importance, in which the improvement of the organization of enterprise activity management plays an important role, i.e. the production process, the effective use of financial, material and labor resources, fixed assets, inventories, etc (Nurmagambetova & Agybetova, 2014; Rothermel, 1972).

In modern conditions, improving corporate governance has become one of the decisive factors in the socio-economic development of countries with economies in transition. In conditions of economic modernization, the problem of developing a system of relations between company managers and their owners, as well as other interested parties (creditors, authorities, employees, partners), which is aimed at ensuring the management efficiency of a modern corporation, was especially acute. In this regard, the urgent task is to build in the corporate governance system an effective and efficient management accounting system designed to provide the top management of enterprises with a reliable basis for decision-making. However, the development of market relations in our country and the emergence of a large number of non-governmental (commercial) domestic and foreign organizations posed new challenges for accounting. One of them was providing information to managers for making management decisions. In this regard, it became necessary to create a system of internal information - management accounting. In the Republic of Uzbekistan and foreign countries, experience has already been accumulated in the field of accounting for production costs and their analysis, however, despite this, there is no single concept of management accounting. There are several basic theories, the main difference between which is the range of tasks

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solved by management accounting. Each organization must independently decide whether or not to maintain management accounting. So, the introduction of management accounting will be efficiently and economically justified only in large and medium-sized companies. For small enterprises, the value of management information in many cases will be lower than the cost of obtaining it, and therefore they can use operational accounting data (Onder, 2002; Stroud, 2003).

2. Main part

The formation of a management accounting system is a rather laborious and lengthy process. In large enterprises, it takes several years. Management accounting system requires a lot of money and skilled labor. When it is being established at the enterprise, it is necessary to solve a number of problems: reorganizing the financial service, developing a cost accounting system and installing a software package (Kuralbayev, Myrzaliev, & Sevim, 2016; Kushwaha, Halevi, Dobrzynski, & Djafari-Rouhani, 1993).

For more than 10 years, the topic of management accounting has been actively discussed in domestic accounting science. However, in practice, only a few enterprises have implemented accounting for management purposes, the rest are satisfied with the analytics of financial accounting data. Currently, there are three main positions of specialists in management accounting:

1. The complete denial of the concept of "management accounting." Management accounting is the same production accounting, but with reference to modern terminology, and there is no reason to distinguish it as an independent type of accounting.

2. Management accounting is a well-established independent discipline.

3. Accounting in modern conditions is a system that includes three subsystems: financial accounting, management accounting and tax accounting.

In our opinion, the third position is the most justified. This is due to the following:

- the basic principles of accounting in financial, managerial and tax accounting are the same;

- the data used in financial, managerial and tax accounting is the same - business operations of an enterprise, the difference is only in groupings, conditions for acceptance for accounting and cost estimates in which each type of accounting uses it (units of measurement, completeness of reflection, etc.) .d.);

- according to the wording of the American Association of Accountants, accounting is the process of identifying information, calculating and evaluating indicators, and providing data to users of information to generate, justify and make decisions. The main objective of accounting is to provide information in an amount sufficient to meet the requirements of various users (internal and external), and at

a minimum cost. Information is provided through reporting (financial, managerial and tax). Thus, accounting is an accounting system that includes three subsystems (financial, tax and management);

- The accounting teaching is defined in accordance with this principle in the new standard of higher professional education in the specialty "Accounting and Auditing";

- it is necessary to adhere to a unified approach in accounting types, as only this will allow comparability of data resulting from accounting procedures.

Management accounting is the provision of information to individuals in the organization on the basis of which they make more informed decisions and increase the efficiency and productivity of current operations. Management accounting generates information on the distribution of costs between products sold and inventories; provides information that helps managers make decisions more reasonably; provides information necessary for planning, monitoring and measuring system performance indicators.

There is no official definition of managerial accounting in legislative acts that are part of the regulatory system in the Republic. This is justified, since the organization of management accounting is an internal affair of each enterprise, the state cannot oblige enterprises to maintain management accounting or prescribe uniform rules for its maintenance. This is evidenced by the prevailing practice of developed countries. Management accounting standards are developed without government intervention (Martin, 2014).

Based on the foregoing, we can conclude that management accounting is an internal information system that provides information for decision-making.

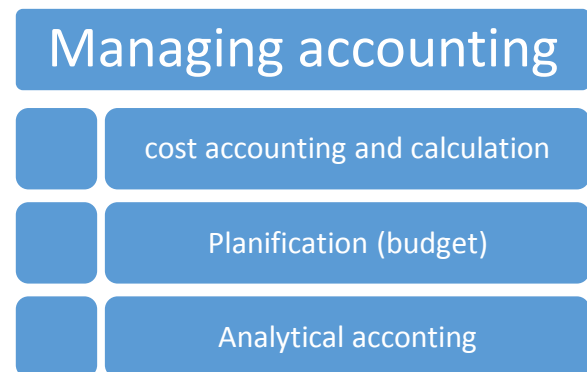


Fig. 1. Management accounting structure

The tasks of this system primarily include the calculation of the cost of works and services (production accounting), planning (budgeting), analytical calculations and, as a result, the provision of management reporting. It is on the basis of management reporting that managers make decisions and control the activities of the enterprise. Information for management accounting is generated on the same basis as information for financial and tax accounting - data on the economic activity of the enterprise. The difference lies only

in the groups in which the information is provided, and in the acceptance for accounting.

Since shareholders evaluate the work of managers on the basis of financial statements, and the latter make decisions on management reporting, financial and management accounting should be comparable. In our opinion, accounting is a system for registering the economic activities of an enterprise to provide financial, managerial and tax reporting. The chart of accounts groups information for each type of accounting.

Consider the functions of management accounting in more detail. Production accounting - collects data on production costs to assess the value of manufactured products. It is production accounting that generates information, which is then used for analysis and planning. Planning (budgeting) is the process of determining the actions to be performed in the future. Analysis is an informational preparation for making decisions, for evaluating options and alternatives, contributing to a better perception of information.

Management reporting is a combination of ordered indicators and other information. It provides an interpretation of deviations from goals, plans and estimates, without which management accounting remains a formal collection of digital data unsuitable for internal management purposes.

A question that also needs to be decided is the range of tasks of management accounting (accounting objects). This issue is also debatable.

For example, according to experts, management accounting solves a fairly wide range of tasks, ranging from the optimal loading of warehouse space, determining the level of staff qualification and growth rate, the number of defects per million products manufactured by the company, determining the level of the market that controls and / or is going to control company, and ending with the determination of the cost per unit of output.

If to summarize the opinions of these specialists, then management accounting should provide any information that managers need to make a decision. But then management accounting affects the work of other departments of the marketing service, personnel service, production organization service, etc. With this approach, management accounting will be a compilation of various parts of various disciplines - accounting, marketing, logistics, finance, etc.

Such an approach, in our opinion and the opinion of a major Russian scientist Paliy V.F., is erroneous, the objects of management accounting are costs and revenues and only costs and revenues, and management accounting presents all the information in this perspective.

Conclusion

Management accounting includes three main parts: production accounting (cost accounting and costing), planning and analysis. It is production accounting that collects information for further analysis and planning, so if the production accounting data is incorrect, then all other information obtained on their basis (planning and analysis) will be unreliable and useless, and this may lead to an incorrect decision and, consequently, to the very sad consequences for the enterprise.

Summarizing the foregoing, we can conclude that when organizing a management accounting system, more attention should be paid to production accounting.

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