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Accounts on Liabilities and Methodological Approaches to Their Analysis

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ABSTRACT

In this article, the emergence of obligations in the accounting of business entities, the income and expenses reflected in the accounting accounts as obligations that change the financial result of the economic activity of the organization, and the specific aspects of their emergence are revealed. Within the scope of the topic, the researches of economists were researched and conclusions and suggestions were given on the topic.

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In the course of financial and economic activities, any enterprise has obligations that lead to the obligation to pay a certain amount of money. Obligations arise due to the establishment of contractual relations of a different nature necessary for the effective production process in the enterprise, as well as the implementation of legal norms.

A sign of a liability is when the entity experiences an outflow of financial resources (or other resources)

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or the replacement of one type of liability with another. It is this feature that separates the company's liabilities (liabilities) from its assets, which, on the contrary, means the inflow of funds into the company.

No organization, commercial or non-commercial, can manage its economic activity without taking into account its debt to other individuals or legal entities in the production process.

includes the removal of debts to business entities or third parties (in this case, creditors) . In some cases, liabilities are called payables, but the concept of "liability" has a wider scope and includes other types of obligations in addition to payables.

If we pay attention to the interpretation of obligations in the legal norms, in Article 7 of the Law of the Republic of Uzbekistan "On Accounting", obligations are specified separately among the objects of accounting[1]. Liabilities are an element related to determining the financial results of a business entity in the financial statements of business entities in the "Balance Sheet" according to national accounting standards or in the "Statement of Financial Status" according to international standards of financial reporting.

In the national standard "Conceptual framework for preparation and presentation of financial statements" approved by the Ministry of Finance of the Republic of Uzbekistan, the obligation is defined as follows: "Obligations - the performance of a certain action by a person (debtor) in favor of another person (creditor), for example, transfer of property, is an obligation to perform work, pay money, etc., or refrain from certain actions, and the creditor has the right to demand that the debtor fulfill his obligations" [2]. According to the economist A. Toychiev, "obligation is a legal relationship arising from the transfer of property, performance of work, rendering of services, payment of money and other actions of one business entity to another entity and is the basis for subsequent mutual calculations" [3]. According to another researcher, S. Makhmudov, "obligation indicates the indebtedness of one enterprise to another, and their extinguishment is the result of previous economic transactions that reduce the assets of the debtor enterprise" [4]. Foreign researcher J.Zimareva states that "obligations of enterprises to counterparties should be considered as items of the enterprise's income, and obligations of counterparties to the enterprise as items of its expenses" [5].

It should be noted that while liabilities generally appear on the balance sheet as a source of assets, each has a different economic meaning, components, and other fundamental distinguishing characteristics. This is the basis for considering each of them as a separate account object. National Accounting Standards (BHMS) In its conceptual framework, it is stated that the main description of obligations is the current liability of business entities to other legal entities and individuals. For example, goods received are amounts paid for material supplies and services [6].

According to legal standards, liabilities are reflected in the passive part of the balance sheet and are divided into two groups: current liabilities and long-term liabilities. Current liabilities are those liabilities that should be extinguished in less than one year during the reporting period. Current liabilities mainly include wages, inventories, accounts with suppliers and contractors, taxes and mandatory payments, the current part of long-term bank loans and bonds, and other payables.

In the scientific works of most research scientists, in foreign literature, current obligations are referred to as short-term obligations. Of course, the basis of these two terms should be accepted as one. Long-term liabilities are liabilities that are amortized over a period of more than one year. These mainly include long-term loans, bonds, deferred tax liabilities, rent payments that are more than one year old, and other payables. The national standard No. 21 "Plan of accounting accounts of financial and economic activities of economic entities and guidelines for its application" approved by the Ministry of Finance of the Republic of Uzbekistan specifies guidelines for reflecting economic processes related to liabilities and debts of economic entities. This national standard was developed on the basis of the Law of the Republic of Uzbekistan "On Accounting" and is considered a normative document regulating accounting, and its implementation by economic entities regardless of the form of ownership is determined to be mandatory.

It follows from the content of the above that the fulfillment of the obligation by the economic entity is connected with the outflow of economic resources of the enterprise. The decrease or outflow of economic resources is necessarily related to the cost of the enterprise. Expenses are transactions related to the expenses of the enterprise for obtaining income . But costs and obligations should not be confused. Liabilities are shown on the company's balance sheet, and expenses are shown on the company's income statement . Costs are the costs of the enterprise's activities, liabilities are the debts of the enterprise. An economic resource, i.e. cash, can be paid at the time of expenses or the payment can be deferred. Delay in payment results in liability. So, we can come to another opinion that the reduction of obligations leads to the creation of costs.

Based on this, we can think that by recording the obligations of enterprises in accounting, it can be considered that income and expenses arise. This ratio shows the idea of economic balance. The imbalance that exists in practice determines the financial result - the profit or loss of the enterprise's activities. As a result of the excess of income over expenses, we will make a profit or, on the contrary, face a loss. Interpreted from a liability perspective, income is a loan to an organization, while expenses are loans an organization makes to its counterparties. At the same time, depending on the combination of factors such as the amount of the loan and its duration, the level of inflation and the level of profitability of the organization, it may have a specific obligation on receivables or payables, there may be income or expenses, and losses may be determined accordingly.

Thus, we can consider that the income and expenses reflected in the accounting accounts can be the result of obligations that change the financial result of the organization's economic activity .

In our opinion, it is necessary to consider the content of the categories of income and expenses, which are the result of obligations in the organization, from the point of view of economic and accounting. From an economic point of view, income is the receipt of funds at the disposal of the organization (in business turnover) as a result of a loan granted to it. In this interpretation, any increase in assets (funds) associated with an increase in accounts payable is recognized as income. In this regard, Eigen Schmalenbach (1873-1955) defined the creditor's debt as the income of the organization that has not yet turned into expenses [7].

according to the national accounting standard (BHMS) is an increase in capital during the reporting period , in addition to growth, in the form of an increase in assets or a decrease in liabilities, which leads to an increase in capital. Thus, by renting equipment, the organization can produce products in the same way as with the equipment it owns. So, from this point of view, that is. from the point of view of the role of means of production in economic circulation, leased equipment is fully equal to its fixed assets. In other words, from an economic point of view, income is any increase in an asset, i.e. are any modifications with a (+) sign on the asset.

Accordingly, in the economic interpretation , the cost is the outflow of n funds (assets) at the disposal of the organization , that is, the cost is a decrease in the asset associated with lending to counterparties to the organization. Funds are withdrawn from economic circulation and this fact is sufficient to recognize as an expense. Thus, from an economic point of view, the situation when the organization incurs debt to the customers as a result of the sale of products and pays it off is the cost itself. The organization transfers the ownership of the goods to the buyers (the amount of funds is reduced), but the funds are not received until a certain time. So, in this situation, from an economic point of view, there is a cost (goods are given), but there is no income (money is not received).

According to the interpretation of a number of researchers, "according to the accounting definition of income and expenses, depending on how they are reflected, this information is reflected in the organization's financial statements. According to the current regulations, the organization's income is the receipt of assets (money, other property) and (or) is recognized as an increase in economic profit that leads to an increase in capital as a result of paying obligations" [8].

Accounting of the facts of the emergence, change and liquidation of obligations representing the income and expenses of organizations , primarily involves solving the following two tasks: 1) choosing the fact of income and expenses as a result of activity, including determining the time of recognition of obligations in accounting ; 2) calculation of income and expenses as the amount of the financial result in accounting of the obligations of the organization for the reporting periods .

The issue of recognition of a liability that determines the amount of financial result also applies to the accounting of costs. When concluding a contract for the purchase of products at a price that reflects costs, the buyer's conclusion of a contract that determines the amount of future cash payments to the supplier of goods can already be recognized as the costs of this enterprise. At the same time, this approach significantly expands the time frame of accounting data, because from accounting data we can learn a legally approved cash flow plan. The time of transfer of money to the supplier can be considered as the time of occurrence (recognition) of expenses. Each of the considered approaches to determining the time of accounting (recognition) of income and expenses includes its positive and negative aspects. Regulatory documents that regulate accounting practices choose one of all possible options . It does not indicate the merits of one or another method, it only means that within the framework of the law, one of the three possible decisions will be made in a certain period of time, and it will become the accounting norm» [9].

As a general rule, the obligations arising from the contract concluded by the analyzed organization are - reflected in accounting from the moment when the performance of the contract by one of its parties begins. So, for example, the entity under study enters into a delivery contract for the product on the terms of subsequent payment. From the moment the contract is concluded, the organizations of the contract participants already have certain obligations under the terms of the contract.

In conclusion, we can say that during the activity of business entities, when we compared the concept of obligations with the concept of obligations used in the established normative rules and standards of accounting and their interpretation, several differences were observed. Of course, we believe that it would be appropriate to harmonize these differences in the organization of accounts of liabilities based on international standards of accounting and financial reporting within the conceptual framework of the Law "On Accounting" and National Accounting Standards (BHMS).

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