



Ways to Improve Income Accounting

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Abstract: *The introduction of International Financial Reporting Standards (IFRS) in our country is one of the important issues on the dental agenda. Today, one of the most important tasks of the country 'ng is the application of international practice in the accounting system to recognize income and expenses, which are the main indicators of financial accounting. This article describes and reveals the concept of accounting for income as an element of financial reporting in accordance with international standards of importance in the accounting system. Today, the study and improvement of the methodological side of this process also remains one of the most important issues. This article will also discuss the definition, composition, recognition, size, and composition of financial statements by type of income, such as income included in income reports.*

Keywords: *income, conceptual provisions, element of financial statements, profit or loss, interest, royalties, enterprises, international financial reporting standards, expenses, assets, liabilities, specific capital.*

The IFRS No. 15 standard "receipts for contracts with buyers" provides for the introduction of a new procedure for recognizing, evaluating and reflecting receipts in reports. Therefore, the organization of calculations in accordance with the requirements of this standard the reflection of transparent information about income and profit in financial statements. The introduction of a methodology for providing reliable, harmonious and comparable financial information to international investors in tools understandable to them, that is, the most tested and effective methods and methods, recognition and evaluation criteria, the use of.

In our country, certain results have been achieved in harmonizing the accounting of income and profit with IFRS. In particular, in accordance with NAS № 2 "Income from operating activities"[1] and the Regulation "On the structure of expenses and the procedure for determining financial results" a procedure for obtaining income and financial results has been developed in accordance with international standards since 2021 on a voluntary basis. Procedures have been introduced for the preparation, international audit and publication of financial statements in accordance with IFRS for joint-stock companies, banks, insurance companies, state-owned enterprises and other enterprises.

However, these achievements do not mean that the country has made a decision on a full transition to IFRS. At the same time, it should be noted that based on the strategic objectives, there are a number of issues that need to be addressed in order to improve the accounting of income and profits in accordance with the requirements of international investors. These include the recognition and widespread implementation of IFRS on income, abandoning old methods and techniques, using modern conditions for generating income, developing, measuring and reporting income, using the most advanced recognition methods, recognizing distributed profits among foreign investors and improving accounting methodology. content and structure of the statement of financial results,

recognition and reflection of other comprehensive income, improvement of the content of the accounts of income and profit accounting, harmonization of the formation of final financial results and accounting in accordance with international standards, achieving transparency and comparability of the report, transformation, transformation and consolidation issues and drawing up reports. To ensure the effective implementation of these tasks, scientific research is needed to radically improve the methodology for recording income and profits and reporting financial results in accordance with the requirements of international standards for foreign investors and other information users.

A group of foreign scientists (Huifa Chen Qingliang Tang, Yihong Jiang, Zhijun Lin) [2] studied the influence of the rules of the standard on income on the increase in the quality of accounting, and noted that compliance with the rules is the basis for the formation of quality information on income.

In our opinion, for accounting purposes, it is appropriate to give a description of income as an element of financial statements.

Based on the study of the above experiences we give the following definition of income as an element of financial statements:

Income is a key element of financial reporting the acquisition of economic profit in the form of an increase in the income and (or) quality of assets that have found their reflection in the increase in private, capital, in addition to the additional capital input of the founders during the reporting period and (or) the fading of obligations.

In Uzbekistan, the composition of income in the "conceptual framework of financial reporting" is correctly classified, and it complies with the requirements of international standards. But, in the standard, the composition of other income is not fully formed. In this case, the regulation "on the composition of expenses" in practice does not comply with international standards in certain aspects of income recognition. In accordance with this regulation, the income received by economic entities as a result of their economic activity is included in the report under the following main sections:"

- 1) net income from sales;
- 2) other income from the main activity (operating income);
- 3) income from financial activities;
- 4) extraordinary income.

Analyzing this, the net profit from sales falls on the main income from the main activity" [3]. The so-called "other income from the main activity" is not correct in content. It is considered appropriate to call it "income from non-core activities "or" other comprehensive income", as it is named in the standard "conceptual grounds for the preparation and presentation of financial statements". Certain items of income from financial activities, including financial rent, royalties, dividends and interest, will have to be included in the main receipts. Exchange rate differences do not depend on the policy of financial activity pursued by the enterprise. Therefore, we consider it appropriate that this income is reflected in the structure of other income.

The following conclusions can be made as a result of comparing the provisions of the "regulation on the composition of expenses", "conceptual framework for the preparation and presentation of financial statements" and the NAS № 2 standard "income from basic economic activities", which is considered a regulatory legal document for accounting of income in Uzbekistan:

First, the conceptual framework of international standards provides a definition of income. This definition is universally recognized. The most important feature of the presented definition, in which the definition of income as an element of financial statements is given. According to it, the following conditions are required to be met at the same time: the first condition is recognized as income. When private capital leads to an increase in the amount of additional capital by the founders, the second condition is that the phenomena that generate income should lead to an increase in assets (cash or other assets) or an improvement in its. The amount in the amount of events and processes that ensure the timely fulfillment of these two conditions is recognized as income.

Secondly, it can be seen that in international practice there is no classification of “income from financial activities”. In international practice, the income of an enterprise is divided into income related to ordinary activities and income not related to ordinary activities (other income). In accordance with international standards, in Table 1 above, “revenues are generated during the normal operation of an enterprise: 1. Income from sales; 2. Promotion for services; 3. Interest; 4. Dividends; 5. Royalty; 6. Rental income”. Obviously, by international standards, income from financial activities is present both in its ordinary activities and in its unusual activities. We will need to move on to these principles of income classification. If we record interest, royalties, dividends as income from financing activities in our financial statements, it means that we have rejected them from normal results of operations, and this can lead to methodological confusion.

Thirdly, in the practice of our country, profit and loss on financial assets are indicated in one line as “Profit from revaluation of securities”, while in international practice the procedure for reflecting profit and loss and other comprehensive income is reflected in the report. Today, when our reports are moving to international standards, it is appropriate for us to move on to the procedure for revaluation of financial assets, reclassification of gains and losses and other parts of the statement of comprehensive income.

This methodological procedure serves to generate useful information for users of information that accurately reflects other total income in the accounts and reports.

List of used literature.

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