



Theoretical Foundations of The Concept, Classification and Optimization of Commercial Banks' Income and Expenses

Nabiyev Muzaffar Abdumalikovich¹, Khalimjonov is the son of Nurillo Abdurasul²

¹ Andijan Institute of Agriculture and Agrotechnologies, Senior teacher of the Department of Accounting and Auditing, i.f.f.d (PhD)

² 2nd stage Master of Accounting and Auditing

Abstract: In the article, the theoretical basis of the concept, classification and optimization of the income and expenses of commercial banks and the processes of income and expenses in banks are organized. Banks carry out their operating expenses within the framework of the estimated allocations approved and reported by their main bank for one year. Bank's operating expenses According to the estimate, the head of the bank disposes of the loans. The head of the bank has the right to issue an order on the bank and entrust the right to dispose of estimate assignments to his deputy.

Keywords: Bank, cost, estimate, operational, process, commercial, money, credit, influencing factor, market, provard, production, situation, account, report, analysis, profit, account, credit system.

1. INTRODUCTION

The main final goal of the economic reforms implemented in the Republic of Uzbekistan is to fully establish the principles of market relations in the country's economy. In this process, it is of great importance to create an effective system of increasing the income of commercial banks from their operations, to develop measures to prevent the negative impact of situations arising in the field of money circulation and credit in relation to other areas of the economy. It is necessary to deeply understand the nature of profitability of banks and to thoroughly analyze the issues of its use, taking into account local conditions.

Banks carry out their operating expenses within the budget allocations approved and notified by their parent bank for the year.

The head of the bank disposes of the loans according to the estimate of the bank's operating expenses. The head of the bank has the right to issue an order on the bank and entrust the right to dispose of estimate assignments to his deputy. The Chairman of the Republic Bank may issue an order and give the right to dispose of assignments according to the estimate to his first deputy. However, the transfer of the right to dispose of allocations according to the estimate to another person does not exempt the chairman of the bank from the personal responsibility established by the Law for the state of his estimate discipline. In order to spend funds at the expense of estimated allocations, including the costs of future periods, the document must have the signature of the creditor's permission and include the actual costs.

All types of wages calculated for workers and employees are included in the wage fund.

In accordance with the regulations on rewarding bank employees, the bonuses given to them are taken into account in account 56106 - "Benefits for bank employees".

Contributions to social insurance and allocations from the salary fund to the pension fund in the specified amount are kept in the balance account 56114 - "Contributions to social insurance". Accounts of contributions allocated to the Council of Trade Unions, employment fund, health insurance and other relevant funds are kept in personal accounts opened in the balance sheet 56122 - "Contributions to the Employment Fund and other relevant funds". Accounts of contributions for property insurance, fire insurance and other insurance related to the bank's economic activity are kept in the balance account 56710 - "Insurance expenses".

Insurance contributions are calculated on the basis of the tariff set by the wage fund (income) of all categories of employees who are subject to social insurance.

Every quarter, a report is drawn up - a settlement record on the funds of the social insurance fund. In it, the entire salary fund and the sums of calculated contributions, other receipts, as well as the Social Insurance Fund of the Republic of Uzbekistan in the presence of the Cabinet of Ministers of February 10, 1994 "Writing and payment of insurance contributions, account of state social insurance funds" The sums spent on pensions and allowances are shown in the form given in Appendix 4 of the order No. 08-3/90 "On Management and Spending". Similar reports are sent to the pension fund, the Employment Fund and the trade union committee.

Expenses for the purchase of bank advertising and announcements, writing and drawing equipment and items for the workplace, postal, telephone and fax expenses, periodicals, books, newspapers are recorded in the personal account "Administrative expenses" respectively. are kept in order accounts. Expenses on these accounts are made within the budget set by the main bank.

Settlements with telecommunication enterprises for sending bank transfers and other services in accordance with the procedure established by the Ministry of Communications of the Republic, on the basis of concluded contracts, payment slips submitted for the services provided by telecommunication enterprises for the transfer of funds by order of delivery or to the agreement of the parties. the money will be paid later.

Funds based on accountability are given from the funds in the accounts "Service trip expenses", "Living expenses during the service trip" depending on the actual need, and they should be allocated only to the directly observed purposes, that is, the service budget, economic expenses, etc. It is forbidden to give allowances from the salary for the expenses of a business trip. The person of the employee who is being sent to the service line for the complaint of the service line it is applied to it. It is recommended to give all the money to the leaders of the groups (brigades) for the expenses of the service trip.

Reports on the amount spent on business trips that began last year and ended in the new year are recorded in the new year turnovers. Amounts that cannot yet be reported on how they have been spent should also be reflected in the account balances of accountable persons as of January 1.

According to the International Financial Reporting Standards (IFRS), "Revenue is an increase in economic value in the form of an increase in capital that is not related to the contributions of shareholders, through the outflow or growth of assets during the reporting period, or through the reduction of liabilities." " describes. In turn, "Expenses are a decrease in economic value in the form of a decrease in capital that is not related to the distribution of equity capital by participants through the outflow or decrease of assets during the reporting period, or through an increase in liabilities."

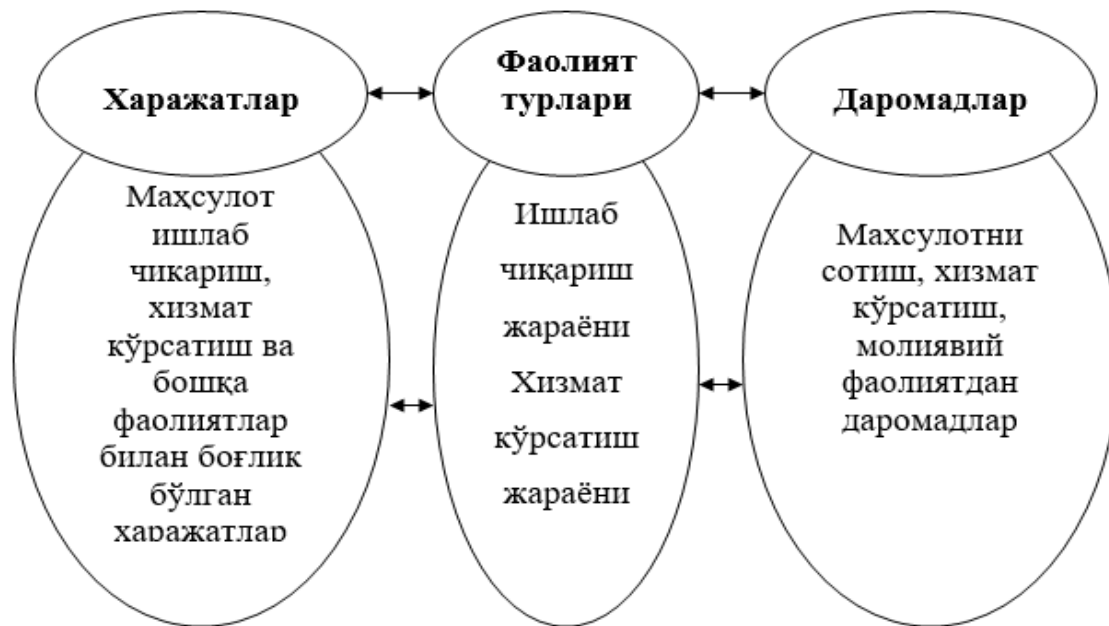


Figure 1. The process of generating income and expenses from the enterprise

In support of these ideas, the specific characteristics of the bank's income can be seen in the following pictures. It lists the types of activities of the enterprise and the bank, the income received from them and the expenses incurred for obtaining this income.

0204IS "Profits and losses" in the "Plan of accounts of accounting in commercial banks of the Republic of Uzbekistan" and "Recommendations for filling out reports of commercial banks submitted to the Central Bank of the Republic of Uzbekistan on banking supervision" No. 584 "Report on" is used in the methodical instructions for filling out the form to account for the bank's income and expenses in this order.

It should be noted that the activities of commercial banks are extremely comprehensive and diverse. In the form of a single holding company, the variety of services provided by commercial banks and their local branches, the ability to serve their customers as much as possible, and the ability to use various instructions and orders in a somewhat limited manner are developing. .

Recently, one of the most important innovations in banking is the use of credit cards, the provision of accounting services to businessmen based on modern international standards, factoring operations, rent financing, participation in operations on the euro-dollar market, and in exceptional cases, the use of the subscriber's box system to collect cash documents and others.

Bank expenses are grouped, like income, because of the financial result and the direction of each bank's activity

it should be possible to estimate the level of profitability.

The costs associated with the execution of direct bank operations are called operational costs. They are also called fixed or variable costs, their amount directly depends on the volume of operations performed by the bank.

For funds raised as part of the bank's operating expenses the paid fee occupies a significant place. Since this fee is in the form of interest, they are called interest expenses. Interest costs play a key role in the bank's credit and investment activities.

The costs associated with the provision of non-credit banking services to clients are mainly related to the services of the Central Bank, correspondent banks, stock exchanges, processing centers, clearing houses and others. Usually, the fee for these operations is charged in the form of a commission in relation to the amount of the transaction, therefore these costs are called commission costs. Although the weight of commission costs is small in the structure of total costs, they affect the

price and profitability of settlement, conversion, guarantee, brokerage, depository and other non-credit operations.

A study of banking practice shows that there are costs associated with other banking operations along with the above. They are called other expenses.

Expenses that ensure the bank's activity include expenses that ensure the functional activity of the bank and are not related to any specific operation. In economic theory, this is called variable costs or fixed costs. These costs are almost equal to operating costs in small banks, but they are much lower than operating costs in large banks. The reason is that they work with a lot of borrowed funds.

Another category of expenses, like income, includes incidental expenses that occur in unforeseen situations. In other words, they can be said to be costs of covering the risk of banking activity. These costs are not included in the bank estimate costs or are calculated as in the previous period. Other costs are considered unpleasant elements of costs and in most cases arise when bank employees violate laws and contracts, as a result of errors in the bank's credit policy, when there are deficiencies in bank management.

The following expenses can be included in the category of other expenses:

- paid fines, fines and fines;
- paid fines, fines and fines;
- expenses of the previous period determined during the reporting period;
- expenses related to the write-off of bank property;
- shortages, expenses due to theft of cash, material valuables, loss of cash and coins;
- expenses as a result of write-off of receivables;
- costs of writing off fixed assets that are not fully amortized;
- costs of writing off loan debt in cases of shortage of reserve and reserve funds;
- expenses on amounts paid for customer objections;
- costs of court and arbitration cases related to banking activities, etc.

We agreed with the opinion of the first group of scientists and found it necessary to divide the income into interest-bearing and non-interest-bearing, and to include other incomes in addition to them, as well as to emphasize the need to divide the expenses into interest-bearing, non-interest-bearing and operating expenses. When classifying income and expenses according to the order of receipt, it is necessary to clearly define their composition.

Currently, this practice is used in the banking system of Uzbekistan. In particular, in the "Plan of accounts of accounting in commercial banks of the Republic of Uzbekistan" and "Recommendations for completing reports of commercial banks submitted to the Central Bank of the Republic of Uzbekistan on banking supervision" No. 584 0204IS Methodical instructions for filling out the "Profit and Loss" report form are used to account for the bank's income and expenses in this order.

LIST OF REFERENCES

1. Law of the Republic of Uzbekistan "On Banks and Banking Activities", T.: "Uzbekistan", 1996.
2. PF-4947 Decree of the President of the Republic of Uzbekistan No. PF-4947, "On the strategy of actions for the further development of the Republic of Uzbekistan", 2017.
3. Sh.M. Mirziyoev We will build a free and prosperous, democratic country of Uzbekistan together. Speech at the joint meeting of the chambers of the Oliy Majlis dedicated to the

- inauguration ceremony of the President of the Republic of Uzbekistan / - T.: "Uzbekistan", 2016.
4. Yermakov S.L. Osnovy organizatsii deyatelnosti kommercheskogo banka: uchebnik. - M.: KNORUS, 2009.
 5. Azizov U., Karaliev T., Bobakulov T., Abdullaeva Sh., Kholmakhmadov Z., Ortikov O., Saidov D., Ismailov A., (2016). "Banking", Tashkent, "Fan and technology" publishing house
 6. Omonov A.A, Karaliev T.M., "Money, credit and banks". Tashkent, "Economy-finance", 2012.
 7. T. Koraliev., U. Artikov. Bank resources and their management. Tashkent. 2009
 8. Abdullaeva Sh.Z., Karimov F.Sh., Navro'zova K.N., Artykov U.D. Management of financial resources of commercial banks. Study guide. Book 2 T.: TMI, 2005.
 9. Mukhammedov L. Development of the stability assessment system of commercial banks. // Market, money and credit. - 2011. - #4.

Websites:

www.uba.uz is the official website of the Association of Banks of Uzbekistan

www.lex.uz collection of legal documents of the Republic of Uzbekistan

www.aloqabank.uz AT Aloqabank official site