



Management of Receivables and Payables in the Operation of Enterprises

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Abstract: Problem solving of ensuring efficient operation of the company is largely provided by the level of organization and efficiency of methodology for accounting receivables buyers, customers and other businesses and individuals. This article examines the importance of economic relations and ways of managing receivables and payables. It also gives external information about the reasons for the emergence of receivables and payables and advices to maintain the solvency and financial stability of the enterprises.

Keywords: receivables, payables, efficient operation, obligations, bad debts, bankruptcy, financial reporting, foreign direct investment.

The development of economic relations at the contemporary stage requires a review of an accounting system, one of the central elements of which are records. Condition of accounting receivables is important for a company of any industry and ownership. Problem solving of ensuring efficient operation of the company is largely provided by the level of organization and efficiency of methodology for accounting receivables buyers, customers and other businesses and individuals.

Nowadays, in the economy problem of growth of amounts receivable is very acute, what inevitably produces an emergence of doubtful and bad debts and strengthening the crisis of non-payments. All of this leads to the withdrawal of funds from sales of enterprise, resulting in a decrease of its solvency and liquidity, reduced production volumes and the risks of bankruptcy. Main reasons of this situation are lack of theoretical elaboration of question of essence, assessments and classifications of receivables, imperfect methodology of displaying information on debt counterparties in the system of accounting, there are also existing contradictions in the requirements of national and international accounting standards and financial reporting. In connection with constant changes in applicable law entities should pay more attention to the state of receivables and to develop new forms and methods of accounting and control.

The issue of attracting foreign direct investment in financing the priority sectors of the economy, as well as attracting loans received under the guarantee of the state's timely payment of its obligations only for long periods, that is, from 20 to 40 years, at preferential rates, in particular, in the amount of 0.5 - 2 percent, is very relevant today. Investments should be mobilized to develop the potential of import-substituting and export-oriented production, increase the number of small businesses and entrepreneurial entities, and create new jobs due to the modernization of the economy and literally increasing its level of diversification.

Differences between companies, as well as between credit organizations and supervisory organizations, arise in the account books on the delay in payments. In this case, obligations to be paid by the enterprise are creditor obligations, and obligations to be received are receivable

obligations. Accounts receivable and payable obligations can be interpreted as follows. Obligations that must be paid to the counterparty are called creditor obligations, and obligations that need to be received from the counterparty are called debtor obligations. Accounts receivable and payable obligations are a constant companion of accounting books. But the increase in their payment period will have a great impact on the financial situation of enterprises. For this purpose, special importance is given to the issue of correct management of receivables and payables in the operation of enterprises. Prevention of overdue receivables is also a matter of direct state control and attention. After all, in the mutual relations between enterprises and organizations, based on the classification of obligations, the management of state cash circulation and the preparation of a plan of economic activities are determined. Funds from receivables are one of the main sources of funds of the manufacturing enterprise. If buyers do not fulfill their obligations on time, the company will have a cash deficit, the company's need for current assets to finance its current activities will increase, and its financial condition will deteriorate. This, in turn, leads to the need to develop a suitable policy aimed at changing the accounting relationship between the enterprise and customers, extinguishing loans and debts.

Accounts receivable leads to a decrease in cash in the enterprise, which in turn causes disruption of production continuity. Therefore, it is important to establish continuous control over receivables. Sanctions or some sort of accountability against debtors for uncollected receivables is important in management.

The reasons for the emergence of receivables and payables:

- The existence of a chain link between enterprises subject to the same system (for example, the supply of products grown under state procurement to the state, in turn, the supply of necessary material resources to the economic entity by the state);
- Occurrence of financial instability in enterprises;
- Low impact on receivables and payables (as an example, we can cite low fines on debts and their artificial increase);
- Occurrence of economic instability;
- Application of advance payments.

It is expedient to include the management of receivables in the general policy of managing the company's current assets. In addition, accounts receivable management should be closely related to the company's marketing policy. Accounts receivable:

- ✓ Customer and customer debt;
- ✓ Received bills;
- ✓ Debt of branches and branches;
- ✓ Granted advances;
- ✓ Other receivables.

In the management of receivables, attention is paid to the following:

- Establishing a clear limit and standard for receivables;
- Development of specific schemes for consumer loans, commercial loans (development of payment schedules);
- Formation of the optimal form of settlement with buyers, advance payment, maximum use of letters of credit (letter of credit - opening a special account in a commercial bank equal to the value of the contract in order to guarantee payment); • Classification of receivables by terms;
- Diversification of receivables (implies cooperation with many entities on a large scale without allowing the formation of receivables for only a few customers);

- constant monitoring of the impact of receivables on the financial stability of the enterprise, control of the ratio of receivables and payables, etc.;
- determination of impact measures on receivables, that is, setting (applying) discounts for delivered goods when payments are made before the period specified in the contract, and vice versa, setting (applying) fines on overdue receivables (both are specified in the contract);
- clarification of programs to increase the production of products with a low probability of receivables and, on the contrary, to reduce the volume of products with a high probability of receivables;
- use of factoring operations (the practice of selling receivables to commercial banks for a low amount).

In addition, any business entities focus on control not only on the debtors' debts, but also on the creditors' debts. Therefore, one of the main tasks of control over the movement of debts is to reduce the level of receivables to a level that does not exceed the level of payables.

Accounts payable:

- ✓ Debt from suppliers and contractors;
- ✓ Bills payable;
- ✓ Salary debts;
- ✓ Debts before the budget;
- ✓ Received advances;
- ✓ Other payables.

In order to maintain the solvency and financial stability of the enterprise, attention is paid to the management of creditors' debts:

- Preliminary assessment of the effectiveness of projects implemented on long-term loans;
- Ensuring mutual compatibility of payables and receivables in terms of amount and time;
- Development of payment calendars for the purpose of timely payment of creditor debts;
- Artificially creating debts based on the scope of accounts payable (for example)
- Proper organization of contractual relations (the formation of accounts receivable for the sale of products at the end of the month or quarter causes the formation of accounts payable for tax payments at the beginning of the next month or quarter).

Accounts payable cannot be prevented by a single program and control. For this, it is necessary to develop a comprehensive program. In our opinion, it is acceptable to implement the following measures in order to prevent debtor-creditor obligations:

- the responsibility of the parties in mutual contractual relations and their strict adherence to the terms of the contract;
- determining the terms of legal responsibility for the amount of any overdue payments;
- use of modern forms of account books;
- development of a mechanism for organizing reserves for doubtful debts, etc.;

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