



Accounting Policy of Intangible Assets

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Annotation: Today, the development of international relations requires the development of accounting system for large inflows of foreign investment into the economy of the Republic of Uzbekistan.

This article examines scientific, theoretical suggestions for improving the formation of accounting policies in the accounting of intangible assets in budget organizations.

Keywords: Accounting records, accounting policy, joint ventures, economic indicators, financial activities, depreciation, world standards.

Intangible assets are an important part of the business management. Budgets serve to limit the number of expenditures for various economic resources. Many companies use their accounting or finance departments for planning, creating and developing budgetary procedures. The implementation of socioeconomic reforms in Uzbekistan is the foundation for the current radical transformations, which are yielding results in all fields. Today, the development of international relations requires the development of accounting system for large inflows of foreign investment into the economy of the Republic of Uzbekistan. The growing number of users of accounting, the deepening of integration processes, the establishment of joint ventures, investments in global financial centers, the need for free movement of labor and foreign exchange transactions between countries, the need to adapt the accounting system to world standards.

As developed market relations impose new requirements on accounting and business entities (by industry) cannot cover accounting on the basis of a single method and form the government also cannot write a separate accounting system for each enterprise. Accounting system is not suitable for the production and financial activities of each business entity. The accounting system chosen by the entity should be provided with the information required to perform the tasks assigned to it. Therefore, in a competitive market system, businesses (by industry) have had a significant impact on the organization of accounting. Today, the role of accounting plays an important role in the privatization of state-owned enterprises, their conversion into various forms of ownership, their management, control over their activities, the implementation of certain measures by management.

This means that accounting information must be independent, objective, understandable to internal and external users, which requires an in-depth study of laws and regulations, an impartial approach to the assessment of economic activity. In order to obtain such information, we consider it expedient for the head of the farm to:

- form an internal system of accounting and reporting;
- permanent control over business operations;
- have complete and reliable information;
- control the storage of accounting documents;

- prepare the final financial statements in accordance with international standards;
- Timely preparation of financial statements, etc.

The development of each entity's own accounting system is characterized by the concept of "accounting policy" in the economic literature and regulations.

It is explained by the correct formulation of accounting policies, regardless of the organizational and legal form of the business entity (by industry) and the form of ownership. At the same time, first of all, legal and normative documents defining the rules of development and formation of the accounting policy of economic entities (by industries) in the Republic are used.

In particular, the accounting policy provides for the use of accounting records and forms for the circulation and registration of documents of business entities (by industry), the criteria for recognizing assets, how to evaluate them, the most convenient and effective method of depreciation, provide detailed information on how the inventory system is set up, as well as set out other rules.

In accounting policies, a single approach to recognizing business assets, liabilities and business transactions is important for accounting entities. An accounting policy is necessary to compare the financial performance of accounting entities in the financial statements presented for different years. Regarding its importance, the legislation establishes such an order that the accounting policy is approved by the head of the business entity (by industry) with the relevant organizational and command documents - orders, decrees, etc.

Therefore, today, based on the nature of the industry, in general, we consider it appropriate to approve the following in the set of accounting policies:

- the plan of working accounts in accounting;
- forms of primary accounting documents used in the registration of business transactions, for which the standard forms are not provided;
- form of documents for internal accounting;
- procedure and terms of inventory;
- criteria for the assessment of property and liabilities, the importance of reflecting financial and economic transactions and indicators;
- The rules of document flow and processing of accounting data;
- the order of control of economic operations;
- Other necessary rules and norms for the organization of accounting.

The accounting policy is effective from January 1 of the year following the year of issue of the organizational-command document. In them, the correct organization of the accounting of economic assets and liabilities depends on the accounting policy, which takes into account the impact on the final financial result. Because the correct formation of the cost of goods (works and services) depends on the issues reflected in the accounting policy. At the same time, depreciation costs have a significant share in the cost of goods (works and services). Especially in intangible assets. Therefore, the use of intangible assets has a modernized look today and is widely implemented in practice. As a result, the cost of goods (works and services) is recognized as a cost in depreciation, and the correctness of accounting and reporting is one of the most pressing issues today.

In our opinion, the accounting policy should fully disclose the criteria for recognition of intangible assets, their useful lives (for individual groups) and the methods of calculating depreciation, their revaluation and inventory.

Using reasonable and assumptive assumptions that reflect management's best estimate of the set of economic conditions that will exist during the useful life of the asset, the entity should assess the probability of future economic benefits expected.

In accordance with NFRS 7, depreciation costs are allocated to business entities (by industry) in relation to the objects of their use. Here are some concepts of these standards:

- depreciation - the systematic distribution and inclusion of the depreciable value of an intangible asset over its useful life, based on its function, in the cost of goods (works, services) or current expenses;
- depreciable amount - the amount of the initial (recoverable) value of the asset less the expected (estimated) liquidation value;
- useful life - the period for which the enterprise intends to use the asset or the amount of products (works and services) that the enterprise intends to withdraw from the use of this asset;

The entity independently determines the depreciation rate based on the initial cost and useful life of the intangible asset. The service life depends on the period of validity of the patent, certificate and other restrictions on the use of intellectual property in accordance with the legislation of Uzbekistan or a foreign country, as well as relevant agreements. This period may not exceed the period of economic activity. Depreciation rates for intangible assets for which it is not possible or difficult to determine the useful life are set at 5 years, but this period should not exceed the period of economic activity.

Thus, the calculation of amortization of intangible assets in business entities is carried out on the basis of the cost of goods (works and services) on the basis of the norms established by the tax legislation, the amortization account.

In practice, we consider the order in which the calculation of depreciation is reflected in the accounting accounts of the processes carried out by business entities (by industry).

The method used is selected based on the expected future economic benefit expected to be accumulated in the asset and applied periodically, provided that there are no changes in the expected future economic benefit expected. However, in some cases, future economic benefits embodied in the asset are used to generate other assets. In this case, the amount of depreciation is an integral part of the cost of the other asset and is recognized as being included in the carrying amount.

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