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COMPARATIVE ANALYSIS OF INTERNATIONAL STANDARDS OF ACCOUNTING AND FINANCIAL REPORTING IN THE REPUBLIC

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Annotasiya: This article aims to eliminate inconsistencies in the rules and principles of International Financial Reporting Standards. At the same time, despite the fact that the legislative and regulatory framework of Uzbekistan clearly approaches the requirements of International Financial Reporting Standards, its financial report requires a transition to the format of International Financial Reporting Standards: the procedure for accounting for individual accounting objects is not yet specified in accordance with international financial reporting standards; in practice, the main categories of accounting often do not practice.

There are no legal differences between national and international accounting standards regarding deferred expenses and other assets. The emergence of differences between national and international standards occurs as a result of the application of various accounting policy options by individual enterprises of the Republic. There are two differences that can arise from the application of accounting policies described in this section. The differences are related to the correct distribution of deferred costs to costs and the assessment of advances paid to suppliers as a result of a decrease in their value.

There is also a conclusion and a scientific proposal based on the conclusion of the study.

Keywords: International standards of financial reporting, accounting, accounting system, accounting policy, financial reporting, consolidated reporting, analysis, comparative analysis.

Introductions

Currently, the reform of accounting in accordance with International Financial Reporting Standards is achieving significant results in the Republic of Uzbekistan.

In accordance with International Financial Reporting Standards, its elements are considered data, on the basis of which they are prepared. When installing and implementing IFRS, they can be divided into several categories.

When reporting, the forms of reporting on assets, capital, liabilities, income and expenses in accounting and financial statements, as well as on IFRS, are quantitatively measured and expressed in the form of money. During the implementation of the IFRS and the request for consolidated financial statements in accordance with the IFRS, it is impossible to determine the value of the elements and measure them, it is impossible to reflect them in accounting, and it is also impossible to include in the balance sheet and the rest of the forms of financial statements. When preparing financial statements by international standards of financial statements, when considering the main tools for the IFRS system, including the IFRS, you can use the currency in circulation at the place of reporting – this means a consolidated report of the IFRS. When the price is assessed for the IFRS report, it is very important to automate long-term assets under the IFRS and all other financial elements of the enterprise, when choosing an information system for maintaining the IFRS reports, this issue cannot be ignored.

A smart investor makes sales, not emotions, and is characterized by investing not in a brand, but in a "good company". The definition of "good" refers to the whole set of criteria. It is

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the driver for financial stability, stable financial indicators and optimal indicators of market multipliers, that is, those that determine the reliability of the investment object and for the growth of its securities or dividend profitability in the future. The assessment of the "quality" of the company should be based on the analysis of its financial statements.

At first glance, these reports are similar, but in fact there are significant differences between them. This difference is noticeable when one investor receives an IFRS report, the other-an accounting system, and they have different analysis results and, accordingly, opinions about the company. To understand what can cause these differences, you need to know the characteristics of both accounting systems.

Accounting standards are a set of norms and rules of legislation issued by the Ministry of Finance and intended to regulate the rules of accounting in organizations.

International Financial Reporting Standards are a set of norms and rules that determine the rules for drawing up financial statements for use by external users in making economic or investment decisions.

In the definition itself, we can conclude that these forms of reporting have significant differences. The global difference between international and national financial reporting systems lies in the concept of document preparation, the purpose of its compilation and the circle of potential users. Conditionally can be formulated as follows:

- Accounting standards are mainly designed for control and tax authorities to control the correctness of accounting for business transactions, to comply with strict registration rules. In other words, reporting accounting standards are a source of information about how conscientious the company is, whether it keeps its records correctly and pays taxes correctly;

- International Financial Reporting Standards-providing accounting and management information for creditors and investors to make decisions. Despite the appearance of the word "standards" in the first and second names, the International Financial Reporting Standards in relation to them they are more unregulated, but have a recommended character. International standards have flexibility, viz.it allows you to adapt all the requirements for reporting in relation to each company, taking into account the specifics of its activities.

Although the Ministry of Finance is working on bringing them closer together, these reporting systems exist and develop in parallel, so a significant difference between them remains.

Material

Moliyaviy hisobotning xalqaro standartlari va buxgalteriya hisob tizimi moliyaviy hisobotlarni shakllantirishdagi asosiy farqlar shundan iboratki, moliyaviy hisobotning xalqaro standartlari va buxgalteriya hisob tizimi o'rtasidagi asosiy farqlar moliyaviy ma'lumotlardan foydalanishning yakuniy maqsadlaridagi tarixiy jihatdan aniqlangan farq bilan bog'liq.

Moliyaviy hisobotning xalqaro standartlariga muvofiq tayyorlangan moliyaviy hisobot investorlar, shuningdek boshqa korxonalar va moliya institutlari tomonidan qo'llaniladi. Ilgari buxgalteriya hisob tizimiga muvofiq tuzilgan moliyaviy hisobotlardan davlat boshqaruvi va statistika organlari foydalangan. Ushbu foydalanuvchilar guruhlari turli xil qiziqishlarga va turli xil ma'lumotlarga ehtiyojlarga ega bo'lganligi sababli, moliyaviy hisobotlarni tuzish tamoyillari turli yo'nalishlarda rivojlandi.

Moliyaviy hisobotning xalqaro standartlarida majburiy bo'lgan, ammo har doim ham buxgalteriya hisob tizimida qo'llanilmaydigan tamoillardan biri bu moliyaviy ma'lumotlarni taqdim etish shaklidan tarkibning ustuvorligi. Moliyaviy hisobotning xalqaro standartlariga muvofiq, operatsiyalar yoki boshqa hodisalarning mazmuni har doim ham ularning yuridik yoki buxgalteriya hisobida aks ettirilgan shakli asosida taqdim etilganiga mos kelmaydi. Buxgalteriya hisob tizimiga muvofiq, operatsiyalar, qoida tariqasida, operatsiyaning iqtisodiy mohiyatini aks ettirmasdan, ularning huquqiy shakliga muvofiq qat'iy ravishda hisobga olinadi. Shakl buxgalteriya hisob tizimidagi tarkibdan ustun bo'lgan misol, asosiy vositalarni hisobdan chiqarish uchun tegishli hujjatlar mavjud bo'lmagan holat bo'lib, bu ularni hisobdan chiqarish uchun asos bermaydi rahbariyat bunday ob'ektlar endi belgilangan balans qiymatida mavjud emasligini bilishiga qaramay.

Buxgalteriya hisobining xalqaro standartlarining ikkinchi asosiy tamoili, ularni buxgalteriya hisob tizimidan ajratib turadi va moliyaviy hisobotlarda bir nechta farqlar paydo bo'lishiga olib keladi, bu xarajatlarni aks ettirishdir. Buxgalteriya hisobining xalqaro standartlari muvofiqlik tamoiliga rioya qilishni buyuradi, unga ko'ra xarajatlar kutilayotgan daromad davrida aks ettiriladi, buxgalteriya hisob tizimida xarajatlar hujjatlarga nisbatan ma'lum talablar bajarilgandan keyin aks ettiriladi. Tegishli hujjatlarga ehtiyoj ko'pincha korxonalariga ma'lum bir davrga tegishli barcha operatsiyalarni hisobga olishga imkon bermaydi.

Problem statement

The volume of disclosed data, the international standards of financial reporting are based on the transparency model. Their goal is to provide a sufficient amount of useful information to a wide user.

In the practice of our country, there are a lot of problems in this matter.

The Ministry of Finance included requirements for disclosure, such as investment accounting and disclosure of relevant party information. This information is disclosed in such a way that, if it is disclosed, it is almost impossible to draw conclusions from it, to extract from it the main thing that the financial analyst, investor, needs.

These problems include:

- fair value reflects not the actual transactions made by the enterprise, but some conditional amount that can be obtained if the asset is sold on the reporting date;
- it is noted that the method of accounting for fair value requires additional costs;
- the use of fair value violates the "principle of caution", in which, when preparing financial statements, various inaccuracies that inevitably arise with the assessment of Economic property must be minimized.

However, given the above problems of applying the accounting method at a fair price, it is necessary to indicate the available possibilities of their elimination:

- first, when considering the definition of fair value in the absence of an active market, it should be noted that the management bodies of the enterprise are better aware of the fair value of the assets owned by the enterprise than others;
- secondly, as for the "conditionality" of the amount of fair value, we believe that this "conditional amount" is based on the very real prices of transactions made on the market;
- thirdly, the additional costs that may be required to implement the fair value accounting method, disclosure of IFRS (IAS) 32 "financial instruments: information presentation and lighting" will be associated with the usefulness of information about the fair value of assets;
- fourth, it should be noted that the concept of fair value does not violate the "principle of caution", since fair value is based on the market value that is formed in the real market.

There is a direct correlation of methods for assessing fair value and asset types. In the IFRS, four types of assets are allocated, to which a fair value account is applied: financial instruments; investment property; basic tools; intangible assets.

Method

The preferred way to evaluate assets.

The underlying disagreement makes the difference between an approach based on the assessment of an asset by historical value and an approach based on current value.

As you know:

- the first approach prefers to evaluate assets at cost, since this assessment better reflects the past activities of the company;

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- the second approach is based on an assessment of the current cost of asset replacement. this will allow you to determine the prospects of the company in the future.

Supporters of the first approach often, if not always, prioritize the assessment of profits, and for them the balance is nothing more than an inventory of the balance of accounts that go into the future period. It follows that in this case, asset valuation is of secondary importance.

Those who prefer to evaluate the asset by the current value, first of all, put the balance sheet, considering the level of profit as derived from the activities of the company. These two approaches are described as "income/expenses" and "asset/creditor debt". Let's consider the main approaches to the classification of asset valuation methods.

International Financial Reporting Standards and the concept of accounting in a market economy distinguish the following classification of asset valuation methods:

- assessment of the asset by the actual value of the purchase. Assets are accounted for by the amount of money paid for them or their equivalents, or by the fair value offered to them at the time of their purchase;

- assessment of the asset by the value of replacement. Assets are reflected in the amount of cash or their equivalents, which must be paid if that or equivalent asset is currently purchased;

- valuation of an asset at a possible selling price. Assets are currently reflected in the amount of funds or their equivalents from the sale of an asset under normal conditions. This method of asset valuation is used in the following cases: when evaluating existing equipment; if the purchase of assets at current prices is not possible for the company;

- valuation of an asset by discounted value. Assets are reflected in the discounted value of future cash receipts, which must be created by that asset during normal operation.

Discounted value refers to the current (discounted) value of all future cash flows that must be obtained as a result of the use or ownership of any asset. Discounted value is usually applied in the absence of an intention to sell that asset immediately. The main problem for calculating the discounted value is the justification of the discount rate, which allows you to find their current equivalent for future cash flows.

Using a low rate can increase the discounted value of future cash receipts. The use of an excessively high rate can lead to a decrease in the discounted value of future income. The objective complexity of this problem is that there is no general rule of choosing a bet. In practice, various approaches are used, in particular, the method in which the interest rate describing the cost of financing is taken as the discount rate.

Among many enterprises, the most common is the method of assessing the cost of buying an asset. Cost is the price of a real transaction, that is, it can be checked, and in a free economy, the value determined in a direct transaction between the buyer and the seller is minimal for the buyer. In this case, the asset represents the real value for the company at the time of purchase, at the same time they depend on the principle of continuity of the enterprise.

At the same time, it should be noted that the concept of "fair value" has not yet been widely used in accounting.

Advantages of using the fair value accounting method:

- fair value serves as a more objective basis for assessing future cash receipts in relation to expenses, since it reflects the current market valuation of these cash flows using all available information;

- fair value represents the best basis for comparing information about assets. The same assets purchased at different times can be taken into account at different prices, which does not correspond to their actual value. If you use a fair value, these assets, regardless of the time and conditions of purchase, are taken into account at the same value for each reporting date, which reflects their actual value at a certain time;

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- fair value accounting is best combined with the principles of active management, which in the management process is usually focused not on real costs, but on the fair value of assets at a certain time;

- fair value represents the best basis for assessing the results of management, since it reflects the results of all economic changes associated with the assets of the enterprise in a timely manner, in contrast to accounting for real costs, which makes it possible to reflect these changes only when selling or otherwise disposing of an asset.

At the same time, experts note some disadvantages of using the method of accounting for fair value. First of all, this is due to the fact that there are significant difficulties in determining fair value in conditions where there is no active market. In this case, a large part of the responsibility for assessing the asset lies in the management of the company.

Analysis of results and examples

Unlike accounting standards, which strictly regulate the methods of maintaining and formalizing financial statements, IFRS only describes the principles of its conclusion.

Compared to IFRS, accounting standards have a more rigorous form. Accounting standards require a very formal approach if the IFRS allows you to create a report in a very free form.

In addition, IFRS and accounting standards differ in the requirements for the content of currency, language and even accounting.

The main differences between the international standards of financial reporting and the accounting system are presented in tables 1.

The requirements of the financial market all participants need more open information about organizations, and this need is often associated with anticipating and conscious management of crisis-era processes occurring in the market economy. With the intense competition inherent in a market economy, the main feature is to highlight the information component, and financial reporting plays the main information role here, since all other information about organizations is generalized and not clarified.

Only with the help of financial reporting can it be possible to create an attractive image of the organization, increase its position in the market, weaken the position of competitors, that is, ensure the growth of competitiveness and financial stability. In this case, financial reporting on the basis of IFRS is important. The financial market is represented by the largest and most prosperous organizations of the country, as a rule, they are holdings that include several companies. Since these companies are grouped into groups, they must generate consolidated reports in accordance with the IFRS. Various authors do not explicitly reveal the concept of "consolidated reporting" in IFRS (Table 2).

Differences between IFRS and the accounting system in relation to cash and monetary equivalents include the introduction of transfers to the corresponding reporting period, accounting for own shares purchased from shareholders, blocked accounts and limited accounts.

Differences between IFRS and the accounting system. In the accounting system, all investments are taken into account by the purchase value. According to IFRS, temporary investments are taken into account at the lowest purchase value and market value. The market value of securities corresponding to the share capital of companies is calculated for each specific investment or for the total portfolio of all such securities. In addition, any unrealized profit or loss that occurs when using the accounting method at the lowest purchase value and market value (without making investments) must be included in the income and expenses of the accounting period for the purposes of IFRS. According to the IFRS, the reason all profits and losses on short-term investments are noted in the Income Report is that temporary investments are easily made and are cash or equivalent.

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Table 1.

Assumptions comparative analysis of international financial reporting standards and accounting standards.

Assumptions comparative analysis of compliance of international financial reporting standards with the rules of accounting standards

Name	Planned accounting	International financial reporting standards	Comment
The assumption of property separateness	Assumption of property inseparability the assets and liabilities of the organization exist separately from the assets and liabilities of the owners of this organization and the assets and liabilities of	The international standards of Financial Reporting do not clearly define the assumption of property inseparability	The assumption of property inseparability in international standards of financial reporting is made indirectly by indicating the economic resources controlled by the enterprise
Business continuity assumption	The organization will continue its activities in the near future and does not have the intention and need to terminate or significantly reduce activities, and therefore the obligations will be paid in accordance with	The organization will continue its activities in the near future, and there is no intention or need to terminate or significantly reduce activities	There are no differences
Assumption of consistency in the application of accounting policies	The accounting policy adopted by the organization is applied consistently from one reporting year to another	The company successively selects and applies accounting policies for the same operations, other phenomena and conditions	There are no differences
Assumption of temporary accuracy of the facts of economic activity	The facts of the economic activity of the organization belong to the reporting period in which they occur, regardless of the actual time of receipt or payment of funds associated with these facts	The results of transactions and other events are recognized when they are completed (not when cash or monetary equivalents are received or paid) - the principle of calculation. They are reflected in the accounting records and are included in the financial statements of the periods associated with them	In accordance with International Financial Reporting Standards, International Financial Reporting Standards and a diverse approach to Planned accounting to predict the temporary accuracy of the facts of economic activity, which can be taken into account as a retrospective correction of the income for which the profits and losses of previous years determined in the reporting year, in contrast to Planned accounting

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Table 2

Requirements comparative analysis of international financial reporting standards and accounting standards.

Requirements comparative analysis of the compliance of international financial reporting standards with the rules of accounting standards.

Name	Planned accounting	International financial reporting standards	Comment
Completeness requirement	Completeness of reflection of all factors of economic activity in accounting	The information in the financial report must be complete, taking into account the needs and costs for its creation	There is no difference
Timely request	Timely reflection of the facts of economic activity in accounting and financial statements	Timely reflection of information in the report, taking into account the balance between relevance and reliability of information	There is no difference
Requiring prioritization of content before form	The reflection of factors of economic activity in Accounting not on their legal form, but on the economic content of economic facts and economic conditions	Operations and other phenomena should be taken into account and presented not only in accordance with the legal form, but also according to their essence and economic reality	There is no difference
Compliance requirement	Specificity of analytical accounting data on turnover and balances of synthetic accounting accounts for the last calendar day of the Hard month	The consistency requirement is not specified in the IFRS	The lack of a definition of consistency demand in IFRS is explained by the fact that international standards are more focused on the preparation of financial statements than on accounting
Rationality requirement	National accounting based on the conditions of economic activity and the size of the organization	The requirement of rationality in accounting has not been established in the IFRS	The lack of a definition of the requirement of rationality in IFRS is explained by the fact that international standards are more focused on the preparation of financial statements than on accounting

The differences listed below are divided according to 3 categories of inventory: raw materials, unfinished production and finished products. In these three categories, the differences between IFRS and the accounting system are manifested in accounting procedures during the transformation of reporting periods, accounting for non-delivered deliveries, assessing objects at

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the lowest cost and net price of possible sales, evaluating unfinished production and finished products taking into account production costs, and using various accounting systems.costs, as well as the distribution of additional costs.

The main differences between IFRS and the accounting system are the classification of fixed assets, duration of use, depreciation methods and reassessment. Also, in the accounting system, the principles of IFRS on accounting for fixed assets created in an economic way in terms of interest on loans related to construction are not always fully applied. In addition, there are some differences in accounting for additional costs associated with the main tool during the period of economic use.

Differences between IFRS and accounting rules. Despite the fact that investments are equally classified in both the IFRS and the accounting system, the assessment of investments in these two standard systems is carried out in different ways.

According to the IFRS, investments are reflected in reports on the actual cost of the purchase with the capitalization of the costs associated with the purchase (duties, payments to the bank). In the accounting system, investments are reflected in the balance sheet by purchase value, regardless of whether the relevant assets are long-term or short-term. IFRS, in turn, requires accounting for investments at the lowest purchase value and market value, or at the value of reassessment, depending on the nature of the investment.

According to the IFRS, the main purpose of creating a reserve is to adhere to the principle of conservatism. In the accounting system, this concept is not clearly defined. Therefore, we will not consider the general issues of creating reserves here. A specific goal is set for each individual reserve.

The amount of interest for the use of borrowed funds is not allocated by a separate line in the report on financial results and their use, compiled in accordance with the accounting system. In addition, part of the cost of paying interest for the use of borrowed funds may be reflected in the structure of abstract funds as expenses incurred from the account of net profit, or may be associated with a decrease in the funds of the enterprise.

Conclusions

In conclusion, it can be said that the differences between International Financial Reporting Standards and the accounting system are as follows.

In the previous form of a report on financial results and their use, commercial and general business costs are included in the cost of the product sold. The new form of its report on financial results and their use corresponds to IFRS in terms of providing data on production and non-production costs separately. The difficulty that country enterprises must bear in mind when switching to accounting in accordance with IFRS is the correct classification of costs when included in the income statement based on the above definition of production and periodic costs.

In the accounting system, there is no recognized difference between subsidies related to assets or income in the IFRS. IFRS has a requirement to provide information on the impact of such subsidies on assets or profits. Consequently, when submitting financial statements in accordance with the IFRS, the country's enterprise must determine whether targeted financing affects the balance sheet value of assets or profit.

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