

IMPROVING THE STATEMENT OF CASH FLOWS IN THE TRANSITION TO INTERNATIONAL STANDARDS OF FINANCIAL REPORTING

Djo'rayev Davlat Djonibekovich

** Chief accountant of Uzbekistan-Japan Youth Innovation Center*

Abstract: This article examines the importance and development of the "Cash Flow Statement" and the issues of improving the current form of reporting in our republic.

Keywords: Cash flows, operating activities, investment activities, financial activities.

Introduction

The statement of cash flows shows the impact of the operating, investment and financial activities of an economic entity on its cash resources during a certain reporting period, and changes in cash resources during this period are accurate. gives information about "Statement of cash flows" is one of the forms of financial reporting maintained by enterprises based on Article 22 of the Law "On Accounting". " is formed and presented based on the requirements. This reporting form, together with other reporting forms, is a constantly changing external and internal that allows modeling changes in the most liquid assets of the enterprise, its financial structure (including liquidity and solvency), the present value of future cash flows for the purpose of comparative assessment of enterprises. provides information that serves to assess and understand the ability to regulate the movement of cash flows under the conditions of factors.

Literature review

Many scientists in our republic on the report on cash flows, its formation, analysis of cash flows Ilhomov SH.I. Islamov F.R., Karimov A.A., Masharipov O., Musayev H.N. Pardayev M.Q., Tashnazarov.

S.N. Urazov K.B. It was studied by Shoalimov A.Kh., ² foreign scientists Sheremet A.D., Suits V.P., and other economists.

Research methodology

According to National Accounting Standard No. 9 "Cash Flow Statement", the purpose of this standard is to determine the mandatory presentation of information on cash and cash equivalents by an economic entity. . This information is in the form of a cash flow statement, in which the movement of cash flows occurring in operational, investment and financial activities during the reporting period is classified. ³

The purpose of the "Cash Flows" report is to provide information on the changes in cash and cash equivalents of the business entity, cash flows that classify cash flows during the period into operational, investment and financial activities. is to require submission in the form of a report. ⁴

In the literature, the authors give the following definitions of the purpose of the "Statement of Cash Flows":

... the main purpose of this report is to reflect aggregated information about the cash flows that occurred in the enterprise during the reporting period, their inflows and outflows, as well as the situation at the beginning and end of the period. ⁵

The purpose of the "Cash Flow" report is to classify the balance of funds at the beginning of the reporting period, the inflows and payments of funds during the reporting period according to the operational, investment and financial activities of the organization. , is the presentation of information between its movement and the balance at the end of the reporting period.

Analysis and results

In our opinion, the purpose of the "Cash Flow Statement" is to show the inflows and outflows of cash and cash equivalents for the types of activities of an economic entity in a certain period of time, and at the beginning and end of the period. is to display information about the balance in the form of a report for internal and external users.

In 1992, the International Accounting Standards Board developed International Financial Reporting Standards No. 7 "Statement of Cash Flows", which came into force in 1994. According to International Financial Reporting Standards No. 7 "Statement of Cash Flows" mandatory presentation of the report by business entities was established.

This reporting form has replaced the Statement of Changes in Financial Position, which has been in effect since 1977. In 2007, the presentation of financial statements No. 1, as a result of the revision of International Accounting Standards (IASs), International Accounting Standards (IASs) No. 7 changed the name of International Accounting Standards (IASs) from the statement of cash flows to the statement of cash flows. changed ⁷.

The introduction of this form of reporting in the CIS countries and its management by economic entities dates back to the early 1990s. In Russian financial practice, the statement of cash flows first appeared in accounting (financial) reporting in 1996. In accordance with the order of the Ministry of Finance of Russia dated March 27, 1996 No. 31 "On model forms of quarterly financial reports of organizations and instructions for filling them in 1996", "On cash flows report" standard form (form No. 4) was approved. In accordance with the regulation on the recognition of International Accounting Standards (IASs) international financial reporting standards and commentaries No. 7 International Accounting Standards (IASs) "Statement of Cash Flows" entered into force in the Russian Federation on December 28, 2015 No. 217 entered. ⁸

In our republic, the form of this report has been changed several times by the Ministry of Finance, and its structure is being updated based on international experience. It can be seen that the improvement of this report form, according to the recommendation of the International Financial Reporting Standards (IFRS), requires the improvement of the report form based on their activities, taking into account the industry or sector of the enterprises.

Cash flow statement information is a document that provides information about the real financial situation of the enterprise to the leader, manager, investors, shareholders and creditors alike. Because the enterprise fulfills its obligations to its creditors despite receiving a lot of income or profit during the reporting period may not receive, that is, there will be a difference between the recognized income and the received funds. This report reflects the movement of cash flows of the enterprise for the reporting period, and it shows how much money has actually been received and actually spent during the current period. The activity of the enterprise is largely related to funds, and their movement is one of the factors that directly affect the solvency and liquidity of the enterprise. Currently, economic entities in our republic report cash flows according to National Accounting Standards (BHMS) No. 9 "Cash Flow Statement" and National Accounting Standards (BHMS) No. 7 "Cash Flow Statement" report" and use this information to determine future perspectives.

During the reporting period of the enterprise in the "Statement of cash flows".

- operational activity;
- investment activity;

- information on the inflow and outflow of cash flows as a result of financial activity is reflected.

Cash flows from operating activities are derived from the main activities of an economic entity. Usually, the main activity of an economic entity is aimed at selling products, performing works or providing services. An economic entity shall separately show information on cash flow from investment activities. Information on cash flow from investment activities shows the level of expenditure on resources that determines the amount of future income and cash flow.

The economic entity shows separately the information about cash flows from its financial activities. This information is necessary to predict future cash flows from financial activities.

In the practice of enterprises, some mistakes are made in the preparation of the cash flow statement, and special attention is not paid to its indicators. One of the main reasons for this is related to the incompleteness of the report form. In connection with the improvement of the form of the "Cash flow report" (Form 4), which is used in developed countries, the classification of the "Cash flow report" form, which is in effect in our republic, There are certain differences between the classification of the report form. One of these distinctions is that "Taxation" is classified as a separate division in the form of the report used in our republic. However, in the report implemented in developed countries, "Taxation" is reflected in the first division, that is, in the division called the movement of funds from operational activities. In our opinion, it is appropriate to reflect the paid taxes in the section called cash flow in operational activities.

Another difference is the cash flow in the form of royalties, which is reflected in the operating activity section of the "Cash Flow Statement" form, "The composition of the costs of production and sale of products (work, services) and the order of formation of financial results" "about" and the Regulation states that they are income from financial activities. Thus, it is required to improve the regulatory framework of the "Cash Flow Statement" currently used in the activities of enterprises in our country. At the same time, it is required to correct the contradictory clauses between the regulatory documents regulating this report.

Conclusions and suggestions

The International Standards of Financial Reporting (IFRS) state that information in accounting reports should be disclosed, it is necessary to clarify the important point in the disclosure of the indicators and sums in the financial report depending on which criteria or indicators are reflected.

Also, taking into account comparability and comparability, the indicators of the "Cash Flow Statement" should be shown for two periods, i.e. for the previous year and the current (reporting) year.

Thus, it is necessary to improve the form and content of the "Report on Cash Flows" based on international experience, to increase the reliability, efficiency, and importance of the report data in making future management decisions.

References:

1. Law of the Republic of Uzbekistan "On Accounting" of April 13, 2016.
2. Decision of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev dated February 24, 2020 No. PQ-4611 "On additional measures for the transition to international standards of financial reporting"
3. Regulation "On the composition of production and sale costs of products (work, services) and the procedure for forming financial results" approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 dated February 5, 1999.
4. "Financial reporting forms and rules for their filling" was approved by the order of the Ministry of Finance of the Republic of Uzbekistan No. 140 of December 27, 2002.

87	<p>ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 6 Issue: 10 in October-2023 https://www.globalresearchnetwork.us/index.php/AJEBM</p>
	<p>Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/</p>

5. Collection of national accounting standards of the Republic of Uzbekistan.-T.: Norma 2016
6. Ilhomov SH.I. Practical audit. Textbook. - T.: TDIU, 2011. -376 p.
7. Karimov A.A., Islamov F.R., Avlokhlov A.Z. "International Audit", Textbook. T. "ECONOMY-FINANCE", 2015. -348 p.
8. Masharipov O., Ilhomov Sh.I. Practical audit. Study guide. - T.: 2014
9. Musayev H.N. Audit. Textbook. - T.: 2003
10. Tashnazarov S.N. International standards of financial reporting. Textbook - T.: "ECONOMY-FINANCE", 2019
11. Urazov K.B. "Financial accounting and reporting" Tashkent "Innovative development