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## The Importance of Simplified Accounting in Small Businesses

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**Abstract:** The article highlights the importance of simplified accounting in small businesses. The role of accounting in small business management is shown. At the same time, an explanation of the important features of accounting policy in the organization of small business is given. Its regulatory and legal aspects are commented on in detail.

**Key words:** small business, private entrepreneurship, accounting, effective management, management accounting.

Over the years of independence, a number of works have been carried out in our country aimed at supporting private property, small business and private entrepreneurship, creating guarantees of freedom of entrepreneurial activity, strengthening legislation to protect their rights, and forming a market infrastructure. The processes of registration, voluntary closure and termination of business, as well as the issuance of licenses and permits granting the right to engage in certain types of activities have been simplified and regulated. The size of the established tax rate has been significantly reduced, some types of fines have been completely abolished. Even today, work is underway to limit government intervention in the business sector. Monitoring of the application of any sanctions against economic entities is carried out only by a court decision. All forms and deadlines for the submission of financial, tax and statistical reports have been drastically reduced. Tax rates have been unified and reduced. A stable market mechanism has been formed that allows entrepreneurs and small businesses to make extensive use of material resources that are in high demand.

The actual problem of today is to provide members of society with a prosperous life experience. This is achieved by creating economic and legal conditions. The result of this is also positive examples in small business and private entrepreneurship. The role and position of small businesses and private enterprise farms in society are high. It is noteworthy that an increasing part of the population receives income from entrepreneurship in households. The effect of the efforts of the real income per capita in our country has increased by more than 12 times. The difference between the most profitable and the least profitable part of the population has decreased from 53.3 times in 2000 to 7.8 times today. This norm, which is an important indicator of social stability, is set 10 times in the international standard. In the implementation of additional measures to ensure the further development of small business and private entrepreneurship, comprehensive improvement of private property and qualitative improvement of the business environment[1]. The decree provides broad freedom to small businesses and private entrepreneurship,

radically reducing the interference of state bodies in their activities, ensuring the prevention of offenses, increasing the effectiveness of their prevention, and the prevention of offenses is a priority of state policy in the field of further development of entrepreneurship and has been identified as a first-class task of state bodies. An important aspect of the decree is that special attention is paid to further stimulating the development of youth entrepreneurship. This requires them to have modern knowledge, qualifications and skills. This decree provides for the implementation of training of young people in the basics of entrepreneurship.

Based on demand, this scientific study, which is presented to the attention of researchers, gives a general idea of accounting in small businesses, financial statements and the chart of accounts. Since accounting in our republic is conducted in accordance with international standards, the formation of knowledge, qualifications and skills for entrepreneurs according to special accounting standards was considered a priority issue. At the same time, it is desirable to pay close attention to them because money, accounts receivable and creditors, fixed assets, depreciation, material receivables, work expenses, income receivables, closing accounts and determining profits are responsible. It is known that in practice it is difficult only to determine the income that needs to be taken into account in accounting. In this regard, the conclusion of the report on the financial results of this issue and their reflection in the balance sheet is an important part of the consideration of business activities. Incorrect determination of the level of profitability in itself leads to a decrease or unjustified increase in the tax burden.

In the conditions of the global financial and economic crisis, it is important for economic entities to carry out financially healthy activities. The central place in this is occupied by rational accounting. Market relations require regulatory regulation of all spheres of economic activity. This ensures, first, the protection of the interests of the citizens of the country and the state, and at the same time all other participants in economic activity. Already in the first years of the introduction of market relations in our country, the legal basis for doing business at enterprises was developed and began to be used in practice. The Constitution of the Republic of Uzbekistan to the documents of this law. The Civil Code, the Tax Code, the Law "On Private Entrepreneurship", "On guarantees of freedom of entrepreneurial activity", "On Accounting", "On auditing" and other laws are included. Now, a single methodological base and measures have been organized in legal entities, the implementation of which is determined in accordance with the "accounting chart of financial and economic activities of economic entities and instructions for its application" No. 21. In accordance with the law, the organization of accounting at enterprises is entrusted to the head of the business. The organization of accounting in small business should begin with the development and formalization of the accounting policy of the economy. According to paragraph 55 of the National Accounting and Financial Reporting Standard No. 1 of the Republic of Uzbekistan, the newly formed holder of the document must issue an accounting policy before the initial announcement of its financial statements, but no later than 90 days after the acquisition of the rights of a legal entity. This requirement applies to all economic entities that are considered as from the point of view of the form of ownership. The economic policy of the company should be formalized in the form of an organizational and regulatory document (Order, order, etc.) of the business manager at the request of this paragraph of Standard No. 1. The developed and adopted policy does not change in the farm during the year. The specific provisions of the accounting policy applied by an economic entity for the preparation and preparation of financial statements cannot contradict the conjuncture. Now, within the framework of business policy, a business can independently deal with accounting issues based on its advantages and capabilities.

In small business, when developing a business policy, two issues are important:

the first is to apply other forms of documents other than those officially defined by the beginning, or add them to the officially established forms, determine the order of circulation of documents in the accounting form of the enterprise;

The second is to develop a plan of working accounts of accounting at the enterprise.

When applying a simplified accounting system, it is allowed to coordinate the applicable registers of the business accounting account with the characteristics of its activities. In this case, the following requirements must be met:

- To the unified accounting methodology, the principle of double entry;
- Analytical accounting for the relationship of synthetic accounting data;
- reflect all business transactions in the Register of Accounts;
- maintaining an account based on initial documents;
- To collect and sort the data of primary documents in accordance with the necessary indicators for the preparation of financial statements.

In a small business, accounting is divided into the following stages:

- document all business operations by drawing up the relevant primary documents;
- Inclusion of information in primary documents in the registers of accounts;
- preparation of financial statements.

The above-mentioned aspects should be taken into account in the business policy of the enterprise. Because the accounting policy emphasizes specific aspects in the structure and use of primary documents in the enterprise. That is, which primary documents will be drawn up, who will draw up and sign in the economic process, who will process the documents, the details of the documents, etc. Strict compliance with the above accounting procedures increases the accuracy and impartiality of accounting information. As a result, the level of quality of information necessary for making managerial decisions increases, and the effectiveness of decisions is increased.

Also, when developing the accounting policy of small enterprises, it is necessary to pay special attention to issues within the framework of management accounting. Because without this, enterprise management cannot be raised to the level required by the science of a free economy. The activity of a modern enterprise is based on budgeting, which is carried out carefully and without interruptions. When maintaining cost accounting, it becomes necessary to rely on bringing standards. In the management of an enterprise, an extremely important place is occupied by the rational determination of cost standards by product types or responsibility centers and ensuring regular monitoring of compliance with standards, calculating the cost of production - income tax. These tasks are provided by maintaining the management of the execution information base. It is also necessary that the accounting structure of the enterprise performs these tasks directly.

In our opinion, the accounting policy of a small business enterprise should provide for the use of regulatory calculation and direct casting systems at the enterprise. Management accounting also includes cost accounting, cost categorization, calculation of the cost of production, control over the creation and execution of the enterprise budget. For the rational fulfillment of these tasks, the establishment of a classification of cost items that make up the cost price, the establishment of identical requirements for the criteria for calculating fixed costs, tables containing the budget of the enterprise and the forms of physical and cash balances can help to increase the thoroughness of the decision-making process in small businesses. Therefore, accounting in a modern enterprise should consist of an integrated system of financial accounting and management accounting.

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