



Article

Improving The Organization of Accounting In Economic Entities Engaged In Export-Import Activities

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Abstract: This article explores the organization of accounting in economic entities involved in export-import activities, emphasizing the theoretical and methodological aspects of improving accounting processes. The study identifies a gap in the literature regarding the accounting frameworks adapted to the complexities of international trade, which involve time delays, currency exchange rates, and legal regulations. To address this, a detailed analysis was conducted, utilizing national and international accounting standards. The research employed a comparative method to analyze accounting practices in both national and international contexts, focusing on export-import operations. The findings reveal that the integration of International Financial Reporting Standards (IFRS) and effective accounting models significantly improves financial transparency and decision-making processes in these entities. Furthermore, the study highlights the importance of adapting accounting practices to the dynamic nature of global trade, ensuring compliance with legal and financial regulations. The results have implications for policymakers and practitioners, suggesting the need for streamlined accounting processes that accommodate the specific challenges posed by foreign trade operations.

Keywords: Economic Entity, Export, Import, Overseas Economic Activity, Global Market, Trade Operations, Accounting.

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1. Introduction

A key element of a market economy in nations is its openness. This significantly influences the selection of trajectories and the tempo of advancement in the global commodity and capital markets. The paramount form of overseas economic activity is foreign trade. A. Smith contended that if a product manufactured in any sector of the industry surpasses the domestic consumption needs of the nation, the surplus must be set aside and traded for other goods that the country possesses.

Consequently, a portion of the nation's output, specifically the surplus, had to be halted. The nation's annual product value is diminished. Participating in overseas economic activities and becoming an active player in the global market is a crucial and effective domain for economic organisations. It is recognised that the exchange of goods generated in the global arena transpires through international commerce operations. Today, it is increasingly vital for economic entities engaged in export-import operations in our country to organise foreign trade relations, enhance the regulation of export-import practices, finalise contracts, advance the technology of goods supply and payment processes, and execute foreign trade operations.

2. Materials and Methods

Currently, the execution of swift reforms in the accounting system necessitates the enhancement of the accounting framework within the operations of economic entities involved in export-import activities. Foreign trade operations provide distinct characteristics that enable the categorisation of issues as a unique domain of financial economic activity. S.A. Pakhomov categorised foreign economic activities into classes based on export activities, import activities, and foreign economic activities, according to the geographical scope of the market region. The operations of economic organisations engaged in the country's overseas trade are affected by various elements, including transportation and logistics infrastructure, national customs boundaries, and the utilisation of domestic and international currencies.

In contemporary economics, economists categorise the influencing variables into various groups: T. G. Sheshukova and O. A. Ribalko assert that the foreign trade activities of economic entities constitute a comprehensive system that considers the contractual responsibilities of the parties, as well as their business, financial, and foreign exchange premiums. Each function performed by economic entities involved in international economic activities influences the accounting system to some degree. T.G. Sheshukova, O.A. Ribalko identify the following distinguishing characteristics of international trade operations relevant to the accounting organisation of economic organisations involved in overseas economic activities

Political. Participants in economic transactions, comprising sellers and purchasers of diverse qualities, are immediately affected by the country's domestic and foreign economic policies. This directly influences its legal implications in the foreign trade operations of the economic entity. Normative legal, in a territorial context, primarily pertains to the transfer of products from the customs territory and associated processes.

Distinct characteristics related to time. International commerce operations require considerable time to execute—monetary and financial circulation. Foreign commerce operations are consistently subject to foreign exchange regulation. Credentials. Engaging in foreign commercial transactions necessitates specialised expertise in international and civil law, currency regulations, customs, and tax law. International trade is presently shaped by globalisation and the integration of the global economy. Makarenko E.N. posits that globalisation and the internationalisation of economic activities result in the harmonisation of reciprocal accounting procedures. The primary outcome of this process is the establishment of International Financial Reporting Standards

Tchaikovsky, D.V. The developmental patterns of the national accounting analysis system emphasise global integration activities. The subsequent elements affect the accounting system during the deployment of foreign business in the integration phase. The national economic growth process involves the integration of our country into the global community, particularly highlighting the growing significance of investors in financial reporting for users interested in the audit of financial results.

- enhance the value and quality of financial statements and audits by ensuring the production of dependable and high-quality reports
 - economic globalisation the establishment of transnational corporations throughout multiple countries worldwide
- Various economists have viewed the systematic organisation of export-import operations in economic units in diverse manners. Russian scientists N.P. Adinsova and E.P. Juravleva contended that "specific complexities in the execution of export operations are associated with the particular accounting of VAT."

The methodology for maintaining distinct expense accounting should include the following directives;

- Location for the sale of products;
- Intended for the manufacturing of export goods and material resources.
- Material resources designated for manufacture intended for sale in the domestic market
- evidence substantiating exports

It is straightforward to consider the costs relative to the value of the commodities produced proportionally. T.A. Karneeva stated that "the organisation of accounting for export operations at enterprises is influenced by several factors, including the process of transferring ownership of exported goods to the buyer, the method of payment, and the procedure for the sale of goods." The export activities of a business entity can be delineated from the perspective of the enterprise's accounting system as a framework of export operations that considers the financial currency, current components utilised by the parties, contractual terms, and procedural specifics. Let us examine the framework for structuring the accounting of export-import transactions within economic entities.

3. Results

We analysed export-import operations by national and international systems, reflecting them in the account as referenced in the table below.

Table 1.
Types of export and import operations according to the International and national accounting system

Types of Export Import Operations	Composition
Export	Goods, finished products, work and services that fully meet customer demand
Reexport	exclusion of goods brought to the country from abroad (mainly raw materials) without processing or partial processing. Used in international trade
Exports to be processed	Export of goods finished products processed until sale in the country where they buy work and services
Return exports through further processing	Export returned abroad under customs control by processing goods, raw materials and semi-finished products
Temporary export	Temporary overseas fairs, exhibitions, auctions as well as exports to be imported for appetite in auctions
Import	Bring goods, products, work and services for sale in the domestic market of the country or for transfer to a third country
Reimport	to bring back to the country itself the goods that will be shipped abroad, but not processed and consumed there. Goods not sold at foreign auctions, stored in consignment warehouses, not sold at exhibitions and fairs, with defects found or returned as there was no demand
Import of recyclable goods under customs control	Imported goods brought into this category for the processing of manufactured products

Let us examine the process of structuring and overseeing the accounting activities related to export and import operations within company organisations.

Azerbaijani scientist, M. Sh.Alieva categorised the organisation of accounting for foreign economic activity into distinct stages: creating the system for organising the accounting of foreign commerce and foreign exchange operations selection of accounting methods , the establishment of procedures for documenting accounting operations, specifically regarding the taxation of customs regimes for export and import goods, foreign trade operations, and the organisation of primary accounting for transactions with foreign buyers. Setting accounting standards for the allocation of accrued assets and liabilities in foreign currency, as well as the formulation and ratification of the accounting policy of the entity and the development and approval of the working accounts plan schedule. Formulating the procedural regulations for executing the inventory of assets and liabilities denominated in foreign currency. formulating the protocol for the preparation and submission of financial reports through our research and analysis, we concluded that business entities will emphasise the most efficient approach for organising the accounting of export-import operations as illustrated in the model below.

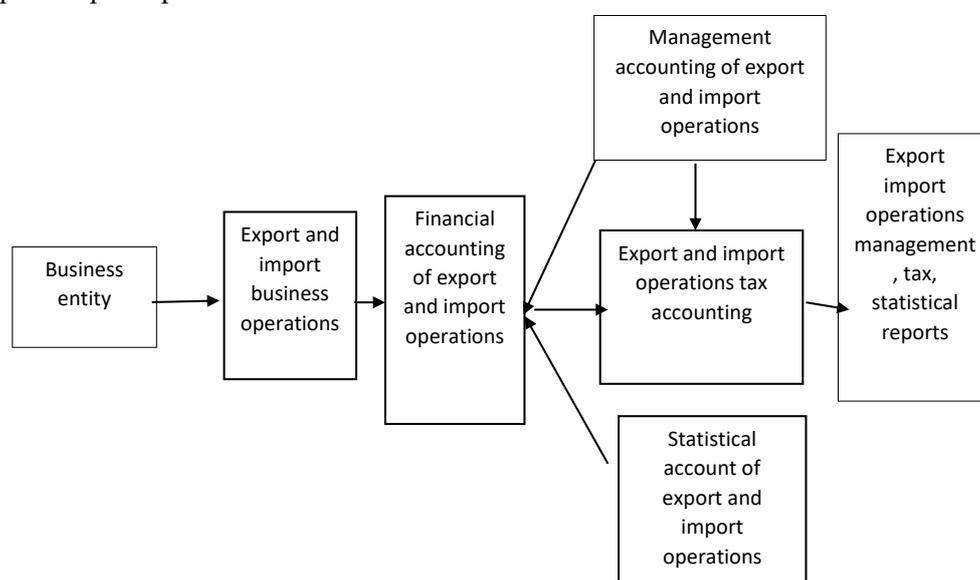


Figure 1. Commercial organisation Export-import operations utilise the lowest system drawing model

Dialogue. T.S. Maximenko asserts that addressing the challenges of establishing a dependable record of foreign trade operations will facilitate management decisions aimed at minimising financial risks associated with overseas economic activities. Accounting for export and import operations in business organisations possesses distinct characteristics. Russian scientist V.V. Semenikhin posits that the accounting of export-import goods possesses distinct characteristics, with primary objectives that include:

- monitoring the transfer of goods from a foreign supplier or domestic seller to the recipient;
- acquiring information regarding the movement of goods, including their storage and location, as required;
- ensuring the quantitative and qualitative management of goods.
- consideration of supplementary expenses for export and import activities
- oversight of accounts with international suppliers- Accounts with Btshyicha Bank regarding loans received and budget payment accounts
- Preparation of timely and accurate reports on exports and imports
- Dmitrov A.V. will focus on the nuances and specific issues related to the accounting of export operations, which will encompass the following aspects

- maintaining accounting for operations in a minimum of two currencies simultaneously, necessitating the reflection of both creative and adverse exchange rate fluctuations;
- the existence of an exit system, either directly or via intermediaries, to international markets;
- the requirement for distinct accounting for Value Added Tax;
- the utilisation of diverse accounting formats under agreements with counterparties;
 - accounting challenges under varying conditions of goods delivery;
- concerns regarding the accounting and oversight of processes associated with the customs system.

A.P. Barkhatov asserts that "the organisation of accounting for export-import operations is essential for managing accounts with foreign suppliers or directly with buyers, contingent upon the stipulations of the charter"

O.S. Ezopova-Sorokina stated that "a significant aspect of conferring ownership of imported goods is the establishment of the composition and valuation of the product's cost."

4. Conclusion

In our assessment, regarding the importation of goods by economic entities, it is essential to consider the following aspects:

- the examination of the interplay between national legislation and the regulatory framework governing international foreign trade activities;
- the determination of the cost associated with imported goods;
- the maintenance of records about transactions influenced by exchange rate fluctuations;
- the specific taxation implications for imported goods;
- the meticulous accounting of expenses related to imported goods, ensuring strict adherence to the stipulations of executed contracts;
- the proficient application of international Incoterms, which delineate delivery conditions in international trade, during the formulation of foreign trade agreements; - the obligation for sellers in international trade to effectively implement international regulations and standards concerning delivery to buyers, particularly in the context of foreign trade agreements.

In our scientific research, we examined the conceptual foundations of the accounting system and the accounting of export-import operations based on an analysis of foreign literature, which presents several methods. Scientific study was undertaken and addressed in the work of S.N. Polenovoy , V.V. Kovalev , E.A. Baeva , and T.Yu. Druzhilovskaya . The conceptual fundamentals of accounting elucidate the theoretical generalities of the accepted accounting system, which define its essence, structure, content, and operational principles .

Business entity engaged in export-import operations within the framework of foreign economic activity in the accounting system V.V.Utilising the Kovelev model, we will examine the nuances of the conceptual underpinnings of accounting for foreign economic activity, based on the conceptual frameworks of International Financial Reporting Standards and National Accounting Standards. Initially, we ascertain the interests of users regarding the account data of export-import operations. The primary external users of account information include international investors, foreign clients, creditors, suppliers, and purchasers. Furthermore, accounting information is utilised by tax authorities and the administration of the economic unit. The subsequent information is crucial for formulating management decisions pertinent to export-import operations. Specifically, decisions concerning the augmentation, preservation, or divestiture of their investments, together with determinations on the future of trade relations. In this context,

exports present several chores for accounting related to import operations. The compilation of data on trade and foreign exchange transactions, together with its dissemination to domestic and international users, is conducted to adhere to national regulations regarding foreign economic activities, foreign exchange, and customs tax regulation. The benefit of preserving financial statements is that the economic entity reveals the outcomes of its financial operations, together with its financial condition during the present and reporting periods. This generates prospects for direct investors and enhances the subject's potential to provide competitive information on the international stage. The creation of financial statements is governed by Standard No. 1, which pertains to the initial application of international financial reporting standards. Currently, significant improvements are underway in our country's accounting system as it transitions to International Financial Reporting Standards. Additionally, we acknowledge our esteemed President Sh.M. Mirziyoev's The judgements of February 24, 2020, PD-4611, on supplementary measures for the transition to International Financial Reporting Standards, which were also articulated by parties. This decision states that joint-stock companies, commercial banks, insurance organisations, and legal entities classified as large taxpayers will implement accounting according to International Financial Reporting Standards starting January 1, 2021, and will prepare financial statements based on International Financial Reporting Standards by the end of 2021..... ”

According to International Financial Reporting Standards Standard No. 1, "the initial application of international financial reporting standards," the characteristics of accounting information encompass relevance, reliability, accuracy, comparability, neutrality, continuity, primacy of substance over form, and data comparability, among others.

In the execution of accounting for export-import operations, various concepts and widely established regulations are applicable. The implementation of these regulations will be irregular at every phase of accounting. The conceptual framework aims to establish fundamental accounting rules utilised in the formulation of financial statements and to offer a rational foundation for these concepts. The conceptual framework of accounting establishes the logical foundation for developing the accounting system and financial statements. Consequently, the research and analysis are grounded in the sequential development of the export-import operations conceptual framework model.

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