



CURRENT ASSET ACCOUNTING AND DIRECTIONS FOR ITS IMPROVEMENT


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Abstract *Current assets are important in the activities of the enterprise as short-term economic resources, which serve to financially ensure the daily activities of the enterprise, to continue the production process continuously, and to ensure its financial stability. Correct and accurate accounting of current assets is important in the analysis of the financial condition of the enterprise, the formation of financial statements, and the adoption of management decisions. In this work, the concept of current assets, their composition, the procedure for accounting, and the existing problems and areas of improvement in this regard are studied.*

Keywords: *current assets, accounting of current assets, working capital management, short-term assets, inventory accounting, cash and cash equivalents, accounts receivable, financial reporting, asset classification, current asset turnover, liquidity management.*

Uniting all individual sectors of the economy in the world, the main indicator is gross working product. In Uzbekistan, the gross working product increased by nearly 2.9 percent in 2019 compared to the previous year. Due to the large share of industrial production in the composition of gross working product, investment and innovation policies are focused on this particular sector. The notable aspect is that the largest companies in the world had 35-40 percent of their total assets in current assets. Developed countries continuously influence their working capital on profit, and controlling it is considered an important factor in achieving high performance. Therefore, keeping records of current assets in reports, developing the organizational and methodological aspects of their analysis, and organizing audit methods on the basis of international standards further increases the relevance of this problem in the current globalization process. In a market economy, the provision of current assets and the normal performance of production profitability are considered important, and many factors influence their implementation. The rational and effective use of current assets serves to increase the financial stability of the enterprise and its solvency. The enterprise must fully fulfill its accounting and payment obligations on time, which makes it possible to successfully carry out commercial activities. The effective management of working capital, ensuring that it is connected in the necessary and sufficient amount, formed with minimal costs, is aimed at improving the efficiency of its use. Solving this problem is very relevant for enterprises such as the Joint Stock Company “O‘zdonmahsulot”, since a large part of their assets is made up of current assets.



As is known, the assets of any enterprise are divided into two groups: long-term assets (fixed assets) and current assets (current assets). Over the centuries-old history of mankind, various approaches to these assets have accumulated. One of the most important problems today is the effective use of assets, because the amount, composition, category, dynamics, and efficiency of their use largely determine the financial condition, competitiveness, and investment attractiveness of an economic entity. Thus, the elements of current assets form a part of the continuous flow of economic transactions. The supply process leads to an increase in production reserves; production results in an increase in the volume of finished goods; and sales lead to an increase in accounts receivable, which is then followed by an increase in cash and funds in settlement accounts. For the enterprise to operate normally and ensure continuous turnover, it is necessary to maintain a regular provision of current assets at all stages of movement. The ultimate result of asset turnover is not only the recovery of funds, but also the generation of some additional value. It is precisely the positive difference between the amount of funds obtained as a result of the full turnover of these resources and the initial amount spent on them that serves as the source of profit for the economic entity. A positive financial result (profit) is considered the main motivational factor for the activities of all economic entities and serves as the primary source of development in a market economy.

Conclusion

Current assets play an important role in ensuring the financial stability of an enterprise, maintaining the continuity of the production process, and increasing the efficiency of economic activity. Their composition and amount determine the financial condition of the enterprise, its solvency, and competitiveness in market conditions. Proper accounting of current assets and their rational and efficient use serve to increase the profit and support the development of the enterprise. Therefore, a complete analysis of the movement of current assets, the introduction of modern approaches to their management, and the improvement of the organizational and methodological foundations of their accounting and audit remain among the most pressing tasks today.

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