

## ACCOUNTING FOR THE COSTS OF CARRYING OUT PRODUCTION ACTIVITIES OF FARMS IN THE DIGITAL ECONOMY

<sup>1</sup>Akramjon Turgunovich Mamazhonov, <sup>2</sup>Komilov Shokhrukhbek Akmaljon o'gli

PhD, Senior Lecturer Assistant of the Department of "Accounting, Analysis and Audit" of the Andijan Institute of Agriculture and Agrotechnology<sup>1</sup>, 1st year student in the direction of "Accounting and Auditing"<sup>2</sup>  
[mat69@mail.ru](mailto:mat69@mail.ru)<sup>1</sup>

### ABSTRACT

The article discusses the issues of accounting for the costs of production activities of farms in the digital economy. The sectoral characteristics of farms, regulatory documents on the cost of production and costs, as well as issues of its correct organization are described.

*Key words: farms, costs, prime cost, calculation, simple method, process-by-process method.*

### INTRODUCTION

The distinction between personal consumption costs and production costs associated with agricultural activities requires a corresponding systematization of accounting. Since the goal of the farm is to produce agricultural products, production accounting is central to its overall accounting system. Correct and reliable accounting of production costs is necessary for a farmer to analyze production efficiency, substantiate the range and structure of products in relation to the emerging market conditions, to predict the development of his economy and prevent unreasonable actions, that is, to make management decisions in his business.

In the conditions of market competition of agricultural producers, the role of production accounting is invariably increasing, which should facilitate operational cost management, respond to changes in market prices, the farmer needs to keep accurate cost accounting and promptly calculate the cost of production in a given period of time in order to compare it with the market price and determine the financial result. Any entrepreneur needs such operational accounting of costs to justify the most effective terms for obtaining and selling products and ensuring maximum profit. For example, a farmer can collect part of the apple harvest and sell it in the fall, or leave the entire crop for storage and sell it only in winter at a higher price. Therefore, it is important for the farmer to know the actual costs of producing the resulting product, as well as further costs for its storage and processing. In addition, market relations force the farmer to orient production to market demand for products and to reduce production costs. Prompt and objective cost management will allow you to make management decisions faster and more reasonably, which should help to strengthen the farm economy.

### LITERATURE REVIEW

The issues of cost analysis, the provision of working capital and the analysis of the solvency of economic entities have been the focus of many scientists, and a lot of scientific and methodological work has been done to improve various aspects of this issue. In particular, in the context of economic modernization, the issues of cost analysis and analysis of solvency were discussed by foreign scientists L.A. Bernstein, L.V. Dontsova, R. Karlin, V.V. Kovalev, N.P. Lyubushin, V.B. Leshcheva, B.A. Needles, N.V. Rodionov, A. Ionova, O. V. Efimova have a wide range of scientific works. In the scientific works of the scientists of our country I. T. Abdugarimov, E. A. Akramov, A. V. Vakhobov, A. Usanov, A. T. Ibrokhimov, E. Ergeshev, M. K. Pardaev and many other scientists, certain methodological aspects of this direction. containing

Research methodology: In the scientific paper, analysis and synthesis, systematic approach, abstract-logical thinking, economic analysis, grouping, expert evaluation and comparison methods were used.

### ANALYSIS AND RESULTS

Analysis of the currently valid regulatory documents on cost accounting and calculating the cost of production indicates that they do not solve many accounting issues in modern conditions. The development of new forms of

management in agricultural production, in particular, farms, requires improving the accounting of production costs. Discussion questions are about the objects of cost accounting, the feasibility of calculation, the inclusion of wages, deductions, some taxes and payments provided for by the current legislation in the costs of farms.

Agriculture is a very specific industry with its own characteristics of production. These features also affect the organization of accounting for production costs in farms.

The main production areas in the activities of the farm are crop production, animal husbandry, or a combination of both. Each of these industries has its own specific characteristics. Crop production, to a greater extent than livestock, has a seasonal nature of production. This leaves a significant imprint on the circulation of funds in crop production. This is where the gap is greatest between the periods of cost and output. Production costs in crop production are made for a long time, and it is extremely uneven: the reimbursement of funds - the yield of production - occurs at a time determined by the natural conditions of plant maturation. Therefore, the farmer, carrying out cost accounting, must differentiate these costs for the current year's harvest and for the next year's harvest. In animal husbandry, as a rule, there are no long gaps in the timing of inputs and outputs. The farmer may consider that all expenses of a calendar year are related to the production of products of the same year (excluding incubation of eggs, stocking of ponds and some other similar expenses). Consequently, the farmer will have mainly work in progress for the production of agricultural products only for crop production.

The farmer will be able to obtain correct and reliable information about the costs of production and the cost of production by making the right choice of cost accounting objects.

In the guidelines for planning, accounting and calculating the cost of products, works and services in agriculture, it is noted that the accounting of costs and output is carried out by objects and elements, cost items. In farms, cost accounting can be carried out not for individual crops and types of animals, but for cost elements and, in general, for the production of final products sold to consumers.

We believe that for an enterprising farmer, collecting information on the costs of production in the context of each cultivated crop and raised animals will allow more efficient production activities by selecting the optimal specialization of their farm.

Consequently, in farms it is advisable to keep detailed production records by types of crops (cotton, grain crops, vegetables, etc.), species and groups of animals (dairy herd of cows, raising young animals, etc.), types of other industries. This will make it possible to determine the actual cost of the produced product, as well as its profitability and, on the basis of this, adjust the specialization of production, optimize the combination of industries and cultivated crops.

The system of accounting for costs in farms, especially those working in market conditions, is the central link of the entire enterprise management system, since it collects information on actual costs and creates the basis for calculating actual profits.

The most common method of accounting for production costs in agriculture is the simple (process-by-process) method. With this method, costs are written off directly to the corresponding accounting object to which they relate, and the cost is determined by the level of costs attributed to the corresponding costing object. The cost accounting objects and the cost estimate may or may not coincide, in which case the costs are allocated between the costing objects within the corresponding cost accounting objects according to the established method.

No matter how we strive to simplify the accounting of production costs in a farm, the classification of production costs by the way they are included in the cost of direct and indirect costs will take place. Direct costs are directly related to the production of a specific product, while indirect ones are not. Direct costs arise only in

the case of production of a specific type of product. Their value is in direct proportion to the volume of production, they are easily taken into account for each analytical production facility.

### CONCLUSION AND RECOMMENDATIONS.

The farmer should organize the accounting of production costs by types of crops and animals raised, and if necessary, then by each field. Calculation of the cost of a unit of production is necessary to determine the efficiency of its production and make management decisions for the future. In this case, the farmer must be guided in calculating the cost of a unit of production, the current accounting and calculation of the cost of production (work, services) in agriculture.

### REFERENCE:

1. Collection of legislative documents of the Republic of Uzbekistanl, October 16, 2017, № 41, article 1061.
2. Atkinson Anthony A., Bunker Rajiv D., Kaplan Robert S., Yang Mark S. Managerial Accounting., 3-d edition, Translation from English- M.:Publishing house «Williams», 2005.-878p. –P.685.
3. Harrison Ch. Operational and cost accounting of production and marketing. - M.:Management technique,1996.-163 p.
4. Dontsova L.V., Nikiforova N.A. Financial reporting analysis: textbook/ Dontsova L.V., Nikiforova N.A. –M. Publishing house «Delo i Service», 2008.-368p. –P.195.
5. Yefimova O.V. Financial analysis. M.: Publishing house «Accounting», 2002. -528p. –P.477.
6. Kovalev V.V. Financial analysis: methods and procedures. –M.:Finance and statistics, 2005.-560p.- P.385-386.
7. Mamazhonov Akramjon Turgunovich. Conceptual issues of accounting for finished goods in the automotive industry. International Scientific Journal Theoretical & Applied Science. 2020.

