

Development of Tourism in Uzbekistan and Improvement of Measures of the Financial Results of the Financial Resources in Uzbekistan

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ABSTRACT

The article deals with the development of the tourism industry in Uzbekistan and the improvement of the regulatory framework of financial results, as well as the recommendations for further simplification of the calculation of the financial results of tourism companies as a result of explorative and deductive research.

Keywords: *International standards, costs, accounting balance, improvement, financial result, travel companies.*

INTRODUCTION

The legal framework for the organization and carrying out of financial accounting in the subjects of entrepreneurship dealing with tourism is created in Uzbekistan. They set up a financial account based on national legislation. Consequently, the financial statement should be subject to regulatory documents of varying degrees and status: laws, standards, charter and guidelines. The main normative and legal acts on regulating financial accounting in the enterprises of tourism are as follows:

Law of the Republic of Uzbekistan "On accounting" (new edition), April 13, 2016, ZRU-404 [1]

The present Law defines the goals and objectives of the bookkeeping account, subjects and objects, rules of accounting, the organization and main directions of the accounting, as well as the financial reporting structure, its presentation, and the procedure for publication.

In other spheres such as tourism companies, financial accounting works will be carried out in accordance with this Law. According to Article 4 of this Law, accounting enterprises at tourist enterprises will carry out all economic transactions in the process of creating tourist goods and rendering services on a comprehensive, uninterrupted, document basis. As a result, it generates financial and other reports based on collecting, recording and

summarizing these information. Also, the economic accounting of the travel companies is carried out by double-clicking on the economic operation, which is simultaneously and interconnected with at least two accounting accounts.

Significant changes are being observed in our country as a result of this sector development. According to the statistical analysis, during the first 9 months of 2017 about 2 million foreign citizens visited our country, which is 25% more than in the same period of 2016. The majority of the visitors, ie 92.7%, were citizens of the Commonwealth of Independent States (CIS) countries.

Among those from overseas, 26% of them are Turkey, 18% is South Korea, 8% is China and India, and 4% is Germany and France. Those who visit our cities, such as Samarkand, Bukhara, Khiva, Shakhrisabz, are particularly interested in the unique historical, cultural and architectural monuments and national values.¹

The significance of the tourism industry is further illustrated by the fact that this issue is considered as a separate direction in the Decree of the President of the Republic of Uzbekistan dated 7 February 2017 "On the Strategy for the Further Development of the Republic of Uzbekistan".

¹Data from the State Customs Committee of the Republic of Uzbekistan.

In the third part of this paper, dedicated to "Priorities of economic development and liberalization," a number of guidelines on "Enhancing its competitiveness through deepening structural transformation, modernization and diversification of key sectors of the national economy"². One aspect of the flour is directly related to the rapid development of tourism industry, its role and share in the economy, diversification and quality of tourist services, and the expansion of tourism infrastructure³.

ADDITIONAL ANALYSIS

Economists and experts in accounting have described their views, opinions and different approaches to the financial outcome concept. In particular, Professor O. Bobojono⁴(2000) states: "In summary, if we summarize the financial results, it is a type of accounting that is governed by all the laws and regulations that are developed and interpreted by the state and the non-government organs." [5]

Consequently, there is a balance between financial accounting and management accounting, both of which use enterprise account information.

Professor A. Ibragimov⁵(2010) considers the financial account as an integral part of the accounting as a whole: "The accounting records allow users to identify, process, and deliver financial information on the basis of the generally accepted principles of accounting for the business entity's financial information information system. The financial result serves the management of the company, existing and prospective investors and creditors, buyers and suppliers of goods, the government and its bodies and the public. "

Professor B. Khasanov⁶(2014) argued that "The principles of financial results can also be

governed by management, since managers of enterprises can not act on the basis of unrealistic expectations and assumptions in their work. Additionally, both sub-system information is used to make the necessary management decisions. "[6]

Professors Z. Kurbanov and K.Hotamov (2006)⁷ the financial result is considered as an integral part of an economic account, which only serves the interests of external users, and defines the accounting, financial, management and tax account.

Professor F. Gulyamov⁸(2012) opinion; "In transition to market relations, accountants can specialize in many areas. Financial reporters prepare the information they need for external users, which is the final outcome of their business. "[7]

Professor D.Holboev⁹ (2016) "Financial outcome is a type of official account, which is compulsory for all business entities irrespective of the form of ownership and business conduct".

METHODOLOGY OF RESEARCH

In the course of the research, the scientific methods of studying the processes of economic reality were used - experimental research, generalization, grouping, logical and comparative methods of analysis, abstract-logical thinking, comparative analysis, statistical analysis, prospective forecasting and other methods.

REVIEW AND RESULTS

The objective of the financial reporting is to provide the user with the information required for economic decision-making. Financial statements should provide users with accurate information about, for example, investors about the financial status, the solvency, the liquidity and the expected returns on the enterprise. This also applies to direct planning of future tourism enterprises. Additionally, the information contained in the report is the basis for evaluating the activities of tourism enterprises. That's why the accuracy of financial reporting ensures efficient management of enterprises.

²Decree of the President of the Republic of Uzbekistan on February 7, 2017 "On the Strategy for the Further Development of the Republic of Uzbekistan".

³There

⁴Bobojonov O. U. Financial Accounting. Darslik.Sharq.-T.: 2000. 480 b.

⁵Ibragimov A. et al. Accounting / Training manuals in banks on the basis of international financial reporting standards. Co-author FINANCE, - T.: 2010 - 274 b.

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⁹Holboev D et al. Financial Accounting. Teaching Guide. NMIU.- T.: 2016-236 b.

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Financial results according to the national accounting standard of the Republic of Uzbekistan - the final economic activity of the undertaking, expressed in the form of profit or loss, or financial results - an increase or decrease in the amount of its own funds during the business activity of a business entity for a specified period of time. The results of such activities are determined by calculating all the benefits and losses in the reporting period.

The process of forming financial results is characteristic of enterprises in various sectors of the economy. Nevertheless, the only traditional way of determining the financial results of business in all sectors of the economy is used.

According to the Decree of the President of the Republic of Uzbekistan № UP-5468, from January 1, 2019, legal entities, exceeding the limit value of 1 billion sums for the year-end or current year's turnover, will be paid for value added tax. For this purpose it is proposed to introduce amendments to the articles of the report on the financial results formed in the tourism enterprises. According to NSDS: The National Accounting Standard of the Republic of Uzbekistan (NSBU) No. 3 "Report on Financial Results"(ORDER from August 25, 1998, #43) approved by the Islamic Development Bank, August 27, 1998, No. 484).

Table1. Recommendations of Paragraph 6 of IFRS 3 "Financial Reports"

№	Editing used	Proposed change
1.	<p>Item 6: The report on the financial results shall disclose:</p> <p>6.1. Net earnings from sales.</p> <p>6.2. Gross Financial Results of Sales.</p> <p>6.3. Other Operating Income and Expenses from Key Operations.</p> <p>6.4. Financial results (profit or loss) of the underlying economic activity.</p> <p>6.5. Other Income and Expenses for Financial Activities.</p> <p>6.6. Financial result of business activity.</p> <p>6.7. Excess profits and losses.</p> <p>6.8. Total financial results (gains or losses) before income taxes are paid.</p> <p>6.9. Net profit (loss) for the reporting period.</p>	<p>Paragraph 6: The report on the financial outcome discloses:</p> <p>6.1. Net sales from selling products (works and services).</p> <p>6.2. Gross financial results of products (works and services).</p> <p>6.3. Other operating income (income) and expenses from the principal activity.</p> <p>6.4. Financial results (profit or loss) of the underlying economic activity.</p> <p>6.5. Other revenues (revenues) and expenses for financial activities.</p> <p>6.6. Financial result of business activity.</p> <p>6.7. Excess profits and losses.</p> <p>6.8. Total financial results (gains or losses) before income taxes are paid.</p> <p>6.9. Net profit (loss) for the reporting period.</p>

In the formulation of financial results in accordance with international standards (SNC IFRS 15), amendments and additions to the "Financial Results Report" of N 3 (Paragraph 6) and the Amendment and Addendum to the Recommendation "on Earnings" instead of the Income Statement is being added. The proposed procedure simultaneously corresponds to the order of completion of the "Financial Results" form No. 2. In International Financial Reporting Standards, the concept of "earnings" is used instead of "earnings". From January 1, 2018, the BHHS "Tushum" was abolished and the

standard 15 "Revenue under contracts with customers" was introduced into practice. The proposed procedure will allow us to further integrate accounting in the country, including the accounting of financial results into IFRS. According to NSB No. 2: The National Accounting Standard of the Republic of Uzbekistan (NSBU) No. 2 "Revenues from Major Business Activity" (approved by the Order of the President of the RUz No. 41 of August 20, 1998) The correlation between the modifications and additions is shown in the table.

Table2. The proposals made to the BHMS No. 21 also apply to this standard and require modifications.

№	Editing used	Proposed change
1.	<p>Purpose: For the purpose of the standard, the definition of "earnings" is derived. For example, "revenue from business activities is derived from basic, operational and financial income"</p>	<p>Purpose: Instead of the concept of "earnings" for the purpose of profitability, the concept of "earnings" is proposed. For example, "revenue from economic activities is primarily derived from operating and financial income"</p>
2.	<p>Scope of action: This standard applies to revenue generated from economic activities.</p>	<p>Scope: This standard applies to the proceeds from the economic activities of the following sectors (revenues).</p>

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3.	Concepts: 6. Terms used in this International Standard.6.1. Income generated by the main economic activity is the proceeds from the increase in ownership of the undertakings, except for reproduction related to ownership by the owners of the property during the period of their regular business activities.	Concepts: 6. Terms used in this International Standard. 6.1. Main operating income (revenues) are revenues (other than those related to their own capital), which lead to the increase in ownership of the property by the owner of the business.
4.	Sale of goods: Item 12. In the event of the following conditions, revenue from sales of goods is recognized:	Sale of goods (goods): Paragraph 12. Proceeds from sale of goods (goods) shall be recognized as the following conditions:

For this purpose, it would be expedient to replace some of the concept of "earnings" in the standard with the word "earnings". This will contribute to the compatibility and compatibility of this standard with NZhK and NFRS No. 21.

Paragraph 12 of this Standard is proposed to be amended to further simplify it.

Paragraph 14 of this Standard is proposed to be amended to further simplify it.

It is proposed that paragraph 20 of this Standard be amended to further simplify it.

Disclosure: Paragraph 23.2 The amount of income of each major category of income reflected during the reporting period, including the following:

- Sales of goods.
- Service.
- Interest rate.
- From scratch.
- Dividends.

The report shall state the following: Article 23.2 The amount of earnings (revenue) derived from each of the significant categories of income (revenue) reported during the reporting period is as follows:

- Sales of products.
- Sales of goods.
- Service.
- Interest rate.
- From scratch.
- Dividends.

The business entity has not only the sale of commodities, but also the revenue from the sale of the product, and for this purpose it is proposed in paragraph 23.2 of the standard and amendments are made.

SUMMARY AND SUGGESTION

An explanation of the report on the proposed financial results will help determine the gross financial results of the tourism industry.

Because the report on financial results in international standards is being used in practice with the name "Gross Income". However, in the information required to be disclosed in this Declaration in the Republic of Uzbekistan (National Accounting Standard for Accounting of the Republic of Uzbekistan, NZhK No. 3 "Report on Financial Results" (approved by the Order of the President of the Republic of Uzbekistan of August 25, 1998 # 43) registered)) There is no concept of "gross financial results". To this end, the form of the application was submitted to the above report.

Today, the priorities for the development of tourism are not limited to the above. The list of these could be continued. But we find it best to clamp down on key aspects of the industry. Because these views are a methodological basis for continuation of these directions. As a result of the research, scientific and theoretical conclusions on the formation of the structure of profits and the formation of net profit in tourism enterprises were formed.

At the same time, it was pointed out that other products, excluding tourist goods, can be earned on the basis of advertising their services. As a result, the enterprise will be able to increase its revenues in terms of financial activity, other than basic business.

- Since tourism enterprises are the only taxpayer, the net profit in them is somewhat different from those paying income tax. For this purpose, the procedure for the formation of net profit (loss) at the enterprises of tourism was proposed. In this order, first of all, the gross earnings are required. At the same time, the single taxpayer tourism enterprises are not accounted for in terms of gross receipts. That is, it was scientifically justified that the amount that would be disassembled would be the discounts and benefits set out in the law. This proposal will facilitate the further simplification of net profit recognition in tourism enterprises.

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- It was suggested to include in the study additions to the articles of the report on the financial results generated by tourism enterprises. There is no indication that tourism companies should be able to obtain information on value added tax or other excise taxes paid by other entities in the form of a report on the financial results. In the proposed form, you will be able to analyze and analyze VAT and excise taxes. The proposed form also allows users of financial reporting to calculate the value added tax and to form and use information on the enterprise's revenue.
- In the study, the items (to be disclosed) that were to be expressed in an explanatory note to the financial statements (for the financial report) were proposed. The following note describes two items that must be covered:
- Results of reassessment of long-term assets that are not included in net profit (loss) (in which results of re-evaluation are accounted for directly to reserve capital)
- other operating results (net dividends are not included) in net profit (loss).
- This will help ensure transparency and completeness of the financial statements that are to be disclosed in financial statements.
- In order to formulate financial reports and improve the reporting of tourist companies, the National Standards of Accounting of the Republic of Uzbekistan, Article 21, scientific advice and practical recommendations on making amendments and additions to NSB "Accounting and Budgeting of Financial and Economic Activities of Business Entities" was given. This will contribute to the improvement of the accounting standards in Uzbekistan, in line with international standards.
- Based on the results of the research, the National Accounting Standard of the Republic of Uzbekistan has been amended to read as follows: "Report on Financial Results" (NSDS) and made scientific recommendations

and practical recommendations on the introduction of additions. As a result, it will enable the harmonization and coherence of national accounting standards in the formulation of financial results.

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- [2] To declare invalid the Decree of the President of the Republic of Uzbekistan from December 2, 2016 "About measures on ensuring the accelerated development of the tourism industry of the Republic of Uzbekistan". (Collection of the legislation of the Republic of Uzbekistan, 2016, No. 49, Art. 558, Article 2017, Article 1, Art. 3).
- [3] Resolution of the President of the Republic of Uzbekistan "On the organization of the State Committee for Tourism Development of the Republic of Uzbekistan" No. PP-2666, signed on December 2, 2016.
- [4] The Decree of the President of the Republic of Uzbekistan on February 7, 2017 "On the Strategy for Further Development of the Republic of Uzbekistan" was published. This decree confirms the strategy of action for the country's five development priorities for 2017-2021.
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