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FINAL QUALIFICATION WORK

VITAL PROBLEMS OF FIXED ASSETS’ ACCOUNTING
(On the example of The State Unitary Enterprise “Yermulkkadastr”).

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INTRODUCTION

Topicality of the subject of the Graduate work “Vital problems of fixed assets’ accounting” is to determine what kind of problems exist in the accounting of fixed assets and how they affect to the organization’s activity.

In the advanced countries, during the gradual development and forming the market relations, accounting is one of the main places in the control system, as the company's financial condition is characterized and forms the basis for the planning of its activities. A special place in the accounting system has issues related to the organization’s property, plant and equipment. Thereby, property, plant and equipment make a significant contribution to economic prosperity of the company, establishing the conditions for freedom of economic activities and entrepreneurship. The relevance and value of fixed assets in business activities of economic factors in modern conditions necessitate proper accounting and the movement of fixed assets. For operational and tactical solutions for enterprise management in a constantly changing market conditions and evolving competitive commodity producers need reliable information and analysis on assets, equity and liabilities. The importance of this information is also established in the present crises in the economic relations of enterprises and organizations.

Today almost all countries are going through a recession and this financial crisis affects almost every aspect of our business life.

The President of the Republic of Uzbekistan Islam Karimov delivered a speech at the session. The session of the Cabinet of Ministers of the Republic of Uzbekistan, devoted to the results of social-economic development of the country in 2012 and main priorities of economic program for 2013.

In his speech the head of state pointed out that despite continuing severe problems in global economy last year, the Uzbek economy maintained sustainable high growth rates, steady increase in living standards of the population was ensured and positions of the country in world markets was further strengthened.

In 2012 the Uzbekistan's GDP increased by 8,2 %, industrial output – 7.7 %, agriculture production – 7 %, construction works – 11,5 %, retail trade turnover – 13.9%, and services – 14,2 %. State budget is executed with a surplus of 0,4 % of GDP. Inflation has not exceeded forecasted indicators.¹

The Purpose of graduate work is to study theoretical materials and the current legislation in the field of accounting of fixed assets, to keep range of the latest changes in the legislation, compare national standards to the international standards about fixed assets, and study the possibilities of using foreign experience in our national accounting system.

Consistent with these purposes *the following tasks* have been put:

1. Research the theoretical aspects of the fixed assets;
2. Characterize importance, significance and role of fixed assets in the modern conditions of accounting;
3. Reveal the problems and contradictions in the accounting of fixed assets;
4. To analyze particular organization's legal documented movements of fixed assets, synthetic and analytical accounting, and definition of financial results on disposal of fixed assets;
5. Study the sources of information and methodological principles of accounting of fixed assets;
6. To give practical proposals on increasing of modernization of economy.

The question of innovation towards the development of Uzbekistan's modernization, based on the global policy, raised by the President in address to the "Oliy Majlis". In a constantly changing market conditions it is not enough dealing with the modernization of the economy and providing with new main means, we also need the ability to use them effectively and to manage their movement. In addition, the results of revaluation of fixed assets, depreciation, calculation methods, variation methods for the identification and valuation of capital assets,

¹From the session's report of the Cabinet of Ministers of the Republic of Uzbekistan, devoted to the results of social-economic development of the country in 2012 and main priorities of economic program for 2013, held on 18 January, 2013.

the effective use of financial instruments, comprise a significant link in the modern conditions of primary tools. In turn, good governance is impossible without high-quality and timely information that plays a decisive role to ensuring upgrade, high capital and diversify the channels for the use of funds. The primary source of this information - accounting data, remains. However, there are many problems in applying the rules of accounting and valuation of fixed assets. So, amid controversy about the economic wisdom of depreciation and of their role in the analysis of financial results, the method of calculating the amortization of fair value, technology of building information channels on the data of capital assets' movements, demarcation of responsibilities between the centers of enterprise, acceptance and justification of managerial decisions. Therefore, issues of fixed assets' accounting continue to remain actual, methodology and results of which can neutralize some of those problems.

The object of the research is The State Unitary Enterprise "Yermulkkadastr", whose main activity is providing with the services in the field of estimation of Land and Real estate.

The Subject of the graduate work is the accounting system's issues related to the property, plant and equipment of organizations.

The Theoretical base persisting work, are general scientific methods of studying: dialectical, comparative, grouping. The Complex nature of the work is founded on acting legislation, under legislative normative acts.

Theoretical and methodological basis of the work is the theory of the world and national accounting system, international and national standards of accounting and valuation, as well as, the works of national and foreign scholars, and articles of the international scientific conferences. Studied problem stated in works of Russian scientists such as: S.K. Korkin, V.F Paliy, S.G. Strumilina, V.I. Mosyagin, S.K. Korkin, S.I. Shulman, B.I. Savichev and Uzbek scientist such as: D.K. Kudbiev, A.H. Pardaev, F.G. Gulomova and others.

The content of the graduate work is focused on studying of accounting of fixed assets in the conditions of market economy and also on exposing the

problems. At the same time the work has been developed so that you can get as complete knowledge as possible of the principles and practice of fixed assets. Combination of the theory and practice will allow obtaining the knowledge required to apply in practice in the current conditions.

Structural composition of the work. The work consists of the introduction, three chapters, the conclusion, the used literature and appendices.

The purpose of the introduction is to give overall information about main issues discussed in the work.

The first chapter - "The economic essence of fixed assets' category" consists of the theoretical aspects which can explain the economic entity and essence, function and features of fixed assets, the definition of Real estate and the ways of its valuation.

The second chapter - "The composition of fixed assets – Land factor and ways of its valuation"- all points of this part are related to analyze the current accounting system of fixed assets of The State Unitary Enterprise "Yermulkkadastr", and also special attention is given to the Land factor and to describe types of its valuation, problems which persist in accounting of Land.

In the third chapter - "Problems of calculating depreciation for fixed assets"- the main idea of each paragraph in this part is to expose the problems of depreciation of fixed assets and give some suggestions about solving them.

Graduating qualification work consists of annotation, introduction, 3 chapters, conclusions and suggestions. It is run for 86 sheets, includes 7 tables, 9 appendixes and about 50 literary sources.

1. THE ECONOMIC ESSENCE OF FIXED ASSETS' CATEGORY

1.1. The meaning and content of the fixed assets' factor

Assets are a company's economic resources that it expects will provide future benefits of the company. A large company may own hundreds of different types of assets. Some are physical in nature – such as land, buildings, supplies to be used, and inventory that the company expects to sell to its customers. Others do not have physical characteristics. They are economic resources because of the legal rights they give to the company. For instance, accounts receivable give the company the right to collect cash in the future.

As above it mentioned, long-term assets are either tangible or intangible. Tangible means “able to be touched” and refers to such assets as equipment, machinery, natural resources, and land. Property, Plant and Equipment. Assets in this category are sometimes called plant assets or fixed assets. Fixed assets are those assets of material value which are:

1. Of long life, and
2. To be used in the business, and
3. Not bought with the main purpose of resale.

Fixed assets often comprise a significant portion of the total assets of an enterprise, and therefore are important in the presentation of financial position. Furthermore, the determination of whether the expenditure represents an asset or an expense can have a material effect on an enterprise's reported results of operations.

The category contains machinery that is used to produce products and equipment that is used in the administration of the company or in the process of selling its products. Examples include cash registers, delivery trucks, computers, and mechanical robots. Plant assets also include buildings, ranging from corporate headquarters to warehouses. Rather than recording all these assets in a single

account, each company breaks down the category according to its particular needs for information. One company may include all office machinery in one account, whereas another might divide office equipment into computers, desks, chairs, etc. As indicated earlier, the process of expense recognition by systematically allocating the cost of property, plant, and equipment to different accounting periods is called depreciation.

According to the IAS (International Accounting Standard) №16 tangible assets are:²

- Has an entity for use in the production or supply of goods and services, for lease to third parties or for administrative purposes, and
- Are expected to use for more than a year.

Useful life is:

- The period during which it is expected to use the depreciable assets by the entity;
- The number of production or similar units that are expected of it by the entity.

One element of tangible fixed assets will be recognized as an asset when:

- It is probable that the entity obtain the future economic benefits derived there from;
- The cost of the asset to the entity can be measured reliably.

Long-lived tangible assets are usually listed on the balance sheet under the heading “property, plant, and equipment”. The term fixed assets is often used in informal discussion and appears in several balance sheets in this book simply because it is shorter. Property includes land. Land is classified in a separate category from other property for one major reason: land is not subject to depreciation or depletion. It is considered to have an infinity life. In other words, land is not destroyed through process of its use. When buildings or natural resources are purchased simultaneously with land, the amount paid must be

²International Accounting Standard No 16 (IAS 16), “Property, Plant and Equipment” Effective date of IAS 16 1982.

carefully divided between the land and the other assets because of the non-depreciable nature of the land. Plant and equipment includes buildings, machinery, office equipment and other types of long-lived capital assets. The accounting process of converting the original cost of plant and equipment assets to expense is called depreciation. Natural resources, such as petroleum and natural gas in the ground (but not after they have been taken out of the ground and become inventory), are usually reported as a separate category. The accounting process of converting the cost of these natural resource assets to expense is called depletion.

The correct accounting of fixed assets is the main purpose of classification according to the crucial economic and technical grounds.

- 1) According to the accessories: own and leased;
- 2) According to the degree of use in production and business activities: acting, being in stock and on conservation, not engaged;
- 3) According to the branches of a national economy: the main tools of industry, agriculture, transport, trade;
- 4) According to the functionality: production, non-production;
- 5) According to the natural composition: land, capital expenditures on land improvements, buildings, structures, machinery and equipment, vehicles, tools and equipment, work and productive cattle, perennial plantations, other fixed assets.

Fixed assets include the following main groups of main means identical on technical features, purposes and methods of use:

- 1) Land;
- 2) Capital costs for the improvement of land;
- 3) Buildings, structures and transmission devices;
- 4) Machines and equipment;
- 5) Vehicles;
- 6) Tools, instruments and equipment;
- 7) Working and productive livestock;
- 8) Perennial plantations;
- 9) Other fixed assets;

Buildings - architectural objects, the purpose of which is making the conditions for labor, residences, servicing to the population and keeping material valuables. The inventory objects for the specified class is - each part building having structural parts such as the wall and the roof. If the buildings adjoin to each other and have a common wall, but each is a separate entity, they are considered as separate individual inventory items.

Outbuildings, fences and other farmyard buildings serving the building together form one inventory object.

Exterior extensions of the building having an economic value, free-standing building rooms, as well as capital outbuildings are considered as separate inventory objects.

The building includes all communications inside of the buildings which is necessary for its operation. Foundations under large-sized equipment, which built simultaneously with the construction of the building, are part of the building. The Foundations under all sorts of object even though they are located inwardly buildings; pertain to that inventory object, which they serve.

Engineering and construction facilities, the purpose of which is to create the necessary conditions for the implementation of the process of production or non-production goals by achieving the fulfillment of certain technical functions unrelated to the subject of the labor. The Inventory object is each separate building with all devices, forming with the building one integer.

Separate inventory objects are pipelines that are not part of any machine, building or structure, but having independent value and importance.

Machinery and equipment. Machines – are technical devices by which you can perform certain operations of technological process of the transformation of energy, materials and information needed to get a useful result. In this sense, the term is quite clear and does not need any clarifications.

Equipment - is a device which can produce or convert energy, material and information. The Inventory object of "equipment" - is each individual machine, including its fixtures and accessories, permanently installed appliances, tools,

electrical equipment, including devices for connection to the electricity network, as well as individual protection and foundation. When referring inventory object to that or other class you need take into consideration, constructive sign, and the main purpose of the equipment. For example, the class of power equipment is device which produces or converts heat and electricity, as well as machine-motors, making any kind of energy into mechanical energy, which is in energy in motion.

The machine and equipment are classified according to their functional principles and branches of production.

The Transport facilities - a facility, intended for transportation of the people or cargo, as well as installed on the equipment or machines. To this group belong: motor transports, ships, railway transport, aircrafts, and electric transit productions.

To the motor transport group belong cars, buses and trolley buses, also chassis and trailers, automatic equipment, vans, tractors, dump trucks, cranes, drilling derricks and others.

The rail transport includes locomotives, cars, components and parts of railway, tram locomotives and rolling stock, equipment and materials for ways, also fasteners and fittings, mechanical equipment, alarm systems and security devices in the traffic control.

To track air and space aircraft are themselves sets, as well as equipment, takeoff and landing simulators aviation ground for civil and transport aviation, gliders, balloons, hang gliders, helicopters, planes, carrier rockets, airplanes. Tools - Items of the manual labor or machinery machines for realization different types of jobs. Tools are divided into these parts: cutting, striking, measuring, etc.

Machinery - equipment for measurement, analysis, processing and providing with the information, devices for managing, devices for automatic and automated control systems. Tools - a set of different items of daily using and industrial purposes.

Working and productive livestock. The productive livestock – is cattle, which used in the production process in a natural way, as well as animals that are

not used for production of the goods: they are male and female animals feed for dairy cattle and wool flocks.

The perennial plants-plants used in the production process, for rental to others, or in socio-cultural purposes. They classify on plantings: botanical gardens, decorative, protective and productive plants.

The other fixed assets. They include fixed assets, which are not counted in the sub-accounts 0110-0199 of 0100 account "Fixed assets". The company has the right to make an independent decision which fixed assets assigned to that group. For example, this could be the incorporation of furniture, office equipment, information systems, and the household of electromechanical devices.

E. Hendrickson and M. Van Breda had their classification of fixed assets. They note that while overall assets have several common characteristics, buildings and facilities differ on certain signs:

- 1) Buildings and structures- are tangible goods, intended for the production of other goods or services for the company and for its clients during the normal process of production;
- 2) They have a limited life span, after which they will eliminate or absorb and change. This time limit may be set to the number of years depending on physical and moral diligence of an asset or to be variable value, which is defined by the mode of use and supports;
- 3) Estimation of buildings and facilities after obtaining the legal rights to use them is determined not by the terms of the contract, but defined by the value of other assets, which can change them;
- 4) As buildings and facilities are non-monetary assets, they bring revenue through their use or sale of services, but not because of their conversion into money;
- 5) In general facilities of these types provided throughout the period that is exceeding one year or operating cycle of the activity of the enterprises. However, there are some features. For example, the building and big part of the equipment does not pass in the composition of circulating assets, if the final term of their

service is less than a year. Sometimes the individual objects can have an initial service period, less than the operating cycle of the business (for instance, instruments).

Thus, we can conclude that there is a variety of assets that require a long time to prepare for their intended use or sale. Such objects are qualified assets. Qualified assets include buildings and structures that are built for order by a specialized company. When the cost of qualified assets expenses on payment of interest on the loan, hired to make qualified assets include part of their initial cost.

1.2. The principles and ways of valuation of fixed assets

In the current climate the whole area of valuing assets has become more challenging. The prospect of having to obtain costly valuations may be met with client resistance. This is understandable as clients endeavor to keep all resources available as operating capital, however the auditor or accountant cannot lose sight of his professional obligations. In addition, people (and quite rightly) are starting to question the value which can be placed on an external valuation.

Valuation means measurement of an item in monetary term. The subjects of valuation are varied as stated below:

- Valuation of tangible fixed assets;
- Valuation on intangibles including brand valuation and valuation of goodwill;
- Valuation of shares;
- Valuation of business.

The key to an understanding of the manner in which the accountant approaches the problem of valuation is to be found in the classification of assets. Fixed assets are long-term assets whose usefulness in the operations of the firm is likely to extend beyond one accounting period. They are not intended for resale, so that their value depends upon the future cash flows which they are intended to generate. By contrast, current assets are those assets which are intended to be

exhausted in the income-earning operations of the next accounting period, and this includes their availability for meeting current liabilities.

There are three general rules and principles for valuing fixed assets:

(a) The enterprise should be considered as a going concern, unless the facts indicate to the contrary. This means that the valuation of fixed assets should reflect the continued expectation of their usefulness to the enterprise. For this reason, their realizable value is inappropriate, and their historical cost is regarded as the most objective measure of value. Historical cost includes the original purchase price and, in addition, all other costs incurred in rendering the asset ready for use.

(b) Changes in the market value of fixed assets are traditionally ignored in the valuation process.

(c) Depreciation in value attributable to wear and tear should always be recognized.

Fixed assets are valued at cost less depreciation if they put to use regularly, i.e., in the normal course of business.

If a fixed asset is to be revalued then:

- Revaluation can be done either by appraisal by competent valuers; or by indexation.
- Such revaluation should be done on entire class of fixed assets.
- Increase in value of asset should be credited to revaluation reserve. Such reserve is not available for dividend distribution.
- Decrease in value of fixed asset should be charged to P&L accounting.

The valuation of plant and machinery and other fixed assets. Plant and machinery, furniture and fittings, motor vehicles, tools and sundry equipment are usually valued at historic cost with proper allowance for depreciation. Cost includes purchase price, freight charges, insurance- in transit and all installation costs. The purpose of depreciation in accounting is to allocate the cost of fixed assets to the several years of their useful life to the firm.

The valuation of natural resources. Natural resources, such as oil, gas, coal and other minerals as well as forests and other plantations are valued at cost-whether they are developed or acquired. Development costs which must be capitalized include the costs of exploration, such as drilling for oil.

Valuation of various assets can be made by using different methods. Valuation of fixed assets can be made in different ways. Some of the major methods are as follows:

1. Cost Method

In this method, valuation of assets is made on the basis of purchase price of the assets. It is very simple method of valuation of assets. Sometimes, existence of one asset depends on the existence of another. Then it is difficult to use this method.

2. Market Value Method

Valuation of assets can be made on the basis of market price of such assets. But if same nature of assets is not available in the market, it is very difficult to determine the value of such assets. So, there are two methods related to it. They are:

- Replacement Value Method

If same asset is to be purchased then on the basis of same value, valuation of assets can be done.

- Net Realizable Value

It refers to the price in which such asset can be sold in the market. But expenditure incurred at the sale of such asset should be deducted.

3. Base Stock Method

Under this method of valuation, company should maintain certain level of stock and valuation of stock is made on the basis of valuation of base stock.

4. Standard Cost Method

Some of the business organizations fix the standard cost on the basis of their past experience. On the basis of standard cost, they make valuation of assets and present in the balance sheet.

5. Average Cost Method

It is a simple method for the valuation of such assets which cannot be distinguished. Like petrol, petrol is kept in the tank but cannot separate its stock on the basis of lot. So, valuation of stock is made adding to all the cost and dividing by the quantity.

The accounting view of asset value is to a great extent grounded in the notion of historical cost, which is the original cost of the asset, adjusted upward for improvements made to the asset since purchase and downward for loss in value associated with the aging of the asset. This historical cost is called the book value. Although the generally accepted accounting principles for valuing an asset vary across different kinds of assets, three principles underlie the way assets are valued in accounting statements.

- An abiding belief in book value as the best estimate of value: Accounting estimates of asset value begin with the book value. Unless a substantial reason is given to do otherwise, accountants view the historical cost as the best estimate of the value of an asset.
- A distrust of market or estimated value: When a current market value exists for an asset that is different from the book value, accounting convention seems to view it with suspicion. The market price of an asset is often viewed as both much too volatile and too easily manipulated to be used as an estimate of value for an asset. This suspicion runs even deeper when values are estimated for an asset based on expected future cash flows.
- A preference for underestimating value rather than overestimating it: When there is more than one approach to valuing an asset, accounting convention takes the view that the more conservative (lower) estimate of value should be used rather than the less conservative (higher) estimate of value.

Measuring Asset Value

The financial statement in which accountants summarize and report asset value is the balance sheet. To examine how asset value is measured, let us begin with the way assets are categorized in the balance sheet.

- First, there are the fixed assets, which include the long-term assets of the firm, such as plant, equipment, land, and buildings. Generally accepted accounting principles require the valuation of fixed assets at historical cost, adjusted for any estimated gain and loss in value from improvements and the aging, respectively, of these assets. Although in theory the adjustments for aging should reflect the loss of earning power of the asset as it ages, in practice they are much more a product of accounting rules and convention, and these adjustments are called depreciation. Depreciation methods can very broadly be categorized into straight line (where the loss in asset value is assumed to be the same every year over its lifetime) and accelerated (where the asset loses more value in the earlier years and less in the later years).
- In the category of investments and marketable securities, accountants consider investments made by firms in the securities or assets of other firms and other marketable securities, including Treasury bills or bonds. The way these assets are valued depends on the way the investment is categorized and the motive behind the investment. In general, an investment in the securities of another firm can be categorized as a minority, passive investment; a minority, active investment; or a majority, active investment. If the securities or assets owned in another firm represent less than 20 percent of the overall ownership of that firm, an investment is treated as a minority, passive investment. These investments have an acquisition value, which represents what the firm originally paid for the securities, and often a market value. For investments held to maturity, the valuation is at acquisition value, and interest or dividends from this investment are shown in the income statement under net interest expenses. Investments that are available for sale or trading investments are shown at current market value. If the securities or assets owned in another firm represent between 20 percent and 50 percent of the overall ownership of that firm, an investment is treated as a minority, active investment. Although these investments have an initial acquisition value, a proportional share (based on ownership proportion) of the net

income and losses made by the firm in which the investment was made, is used to adjust the acquisition cost. In addition, the dividends received from the investment reduce the acquisition cost. This approach to valuing investments is called the equity approach. If the securities or assets owned in another firm represent more than 50 percent of the overall ownership of that firm, an investment is treated as a majority active investment. In this case, the investment is no longer shown as a financial investment but is replaced by the assets and liabilities of the firm in which the investment was made. This approach leads to a consolidation of the balance sheets of the two firms, where the assets and liabilities of the two firms are merged and presented as one balance sheet. The share of the equity in the subsidiary that is owned by other investors is shown as a minority interest on the liability side of the balance sheet.

Components of Cost:

The cost of an item of fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Examples of directly attributable costs are:

- Initial delivery and handling costs;
- Installation cost, such as special foundations for plant; and
- Professional fees, for example, fees of architects and engineers.

The cost of a fixed asset may undergo changes subsequent to its acquisition or construction on account of exchange fluctuations, price adjustments, and changes in duties or similar factors.

Financing costs relating to deferred credits or to borrowed funds, acquisition of fixed assets for the period up to the completion of construction or acquisition of fixed assets are also sometimes included in the gross book value of the asset to which they relate. However, financing costs (including interest) on fixed assets purchased on a deferred credit basis or on monies borrowed for construction or

acquisition of fixed costs, are not capitalized to such costs relate to periods after such assets are ready to be put to use.

Administration and other general overhead expenses are usually excluded from the cost of fixed assets because they do not relate to a specific fixed asset. However, in some circumstances, such expenses as are specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to its working condition, may be included as part of the cost of the construction project or as a part of the cost of the fixed assets.

The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs experimental production, is usually capitalized as an indirect element of the construction cost. However, the expenditure incurred after the plant has begun commercial production, i.e., production intended for sale or captive consumption, is not capitalized and is treated as revenue expenditure even though the contract may stipulate that the plant will not be finally taken over until after the satisfactory completion of the guarantee period.

If the interval between the date projects is ready to commence commercial production and the date at which commercial production actually begins is prolonged, all expenses incurred during this period are charged to the profit and loss statement. However, the expenditure incurred during this period is also sometimes treated as deferred revenue expenditure to be amortized over a period not exceeding 3 to 5 years after the commencement of commercial production.

Determining the cost of fixed assets

The historical cost concept requires that assets be recorded at the amount paid for them. This amount includes the purchase price plus whatever costs are necessary to obtain the asset and prepare it for its intended use. As years go by, historical cost may begin to bear little relation to the current value of the asset.

There are several reasons for this:

- 1) Depreciation may not approximate the use of the asset;
- 2) Inflation may change the value of the currency, or;

3) The asset itself may increase or decrease in value.

Because of these factors, many critics have suggested that companies be allowed to revalue their assets periodically so as to reflect their current value. However, at this stage in accounting development, the vast majority of assets are still reported at historical cost in the primary financial statements.

While the cost of an asset includes all expenditures that are normally necessary to obtain it and prepare it for its intended use, payments for fines, damages, and etc., are not considered to be normal costs of acquiring an asset and are, therefore, not included. Some of the more common costs associated with particular types of assets include:

Purchase of buildings: purchase price, sales taxes, title search and transfer documents, real estate fees and attorney's fees, and remodeling costs.

Purchase of land: purchase price, sales taxes, title search and transfer documents, real estate fees and attorney's fees, removal of old buildings, and grading.

Purchase of equipment: purchase price (less discounts), sales taxes, delivery costs, installation, and costs to adapt to intended use.

The entity will evaluate, in accordance with this principle of recognition, all costs of tangible fixed assets at the time they are incurred. These costs include both those were originally incurred to acquire or construct an item of property, plant and equipment, as the costs incurred subsequently to add, maintain or replace part of the element.

Start-up costs. Some elements of tangible fixed assets can be acquired for reasons of safety or environmental in nature. Although the acquisition of such property, plant and equipment does not increase the economic benefits they provide the elements of existing property, plant and equipment, it may be necessary for the institution to succeed in obtaining the economic benefits of remaining assets. These elements of tangible fixed assets qualify for recognition as assets because they enable the institution to obtain additional economic benefits from the rest of its assets, for which would have earned if it had not purchased. For

example, a chemical entity may have to install new manufacturing processes to comply with environmental regulations concerning the production and storage of chemicals, recognizing that time as part of property, plant and equipment improvements at the plant, to the extent they are recoverable, since without them the entity would be disqualified to produce and sell those chemicals. However, the amount of books by such assets and other related will be reviewed to verify the existence of deterioration in value, in accordance with IAS 36 Impairment of Assets.

Subsequent costs. The entity will not recognize, in the amount of an item of property, plant and equipment, costs of the daily maintenance of the element. Such costs are recognized in profit or loss when incurred. The costs of daily maintenance are mainly labor costs and consumables, which may include the cost of small components. The goal of these expenditures is often described as 'repair and maintenance' of the element of tangible assets.

Certain components of some items of property, plant and equipment may need to be replaced at regular intervals. For example, a furnace may require revisions and changes after a certain number of hours of operation, and an aircraft interior components such as seats or kitchen facilities, may need to be replaced several times during the life of the aircraft. Certain elements of property, plant and equipment can be purchased for a replacement less frequently recurring, such as replacing the walls of a building, or to a non-frequent replacement. The entity recognizes, in the amount of an item of property, plant and equipment, the cost of replacing part of that item when that cost is incurred, provided that the criterion of recognition.

A condition that some elements of tangible assets continue to operate, (e.g., airplanes) may be the regular conduct of general inspections for defects, regardless of whether parts of the element should be replaced or not. When an inspector general, its cost will be recognized in the amount of an element of property, plant and equipment as a replacement, provided they are eligible for recognition. At the same time, it was derecognized any amount, from an inspection, to remain in that

game and it is different from the physical components not replaced. This will happen regardless of the cost of the inspection were identified in accounting for the transaction by which it was purchased or constructed that heading. If necessary, you can use the estimated cost of a similar inspection future, as indicative of what was the cost of an inspection carried out when the item was purchased or constructed.

There are a few exceptions to the basic rule that asset acquisitions are recorded in the accounts at cost. If the entity acquires an asset by donation or pays substantially less than the market value of the asset, the asset is recorded at its fair market value. This happens, for example, when a community donates land or a building in order to induce in a company to locate there. As another example, if property suddenly increases in value shortly after its acquisition (for instance, because of the discovery of oil or of a mineral deposit), the amount originally recorded for this fortunate acquisition may be increased to reflect its current value.

Such exceptions to the general rule are relatively rare, and their rarity emphasizes the importance of the general rule that assets are recorded at cost. Furthermore, increases in the market value do not affect the accounting records for capital assets. Build apartment houses or shopping centers with expectation that part of the profit from this investment will be derived from the appreciation of the property. This appreciation may in fact occur year after year, but it is not recorded in the accounts. The rule is: “property, plant, and equipment should not be written up by an entity to reflect appraisal, market or current values which are above cost to the entity”. We may know in a general way that the value of an apartment house is increasing, but there is no objective way of measuring the amount of increase until a sale takes place. When this happens, a new cost is established, and the asset is recorded at this cost in the accounts of the new value.

Sometimes an entity acquires in one transaction several capital assets that use to appear in more than one balance sheet category. This is called a basket purchase. The company must divide the basket’s cost between the categories on

some reasonable basis. Usually this requires an appraisal of the relative value of each asset included in the basket purchase.

Such a separation is always required when land and a building are purchased in a single transaction; this is because the building will subsequently be depreciated, whereas the land will remain on the books at its cost. A separation may also be necessary if the capital assets in the basket have different useful lives, because they will then be depreciated different.

1.3. Real estate and methods of its valuation

Immovable property is one definition of real estate. Like real estate, immovable property includes all the land or acreage that the buildings sit upon as well as the structures or buildings themselves. In this sense, immovable property is also considered "real property" as opposed to personal property. Value is therefore determined by a number of factors.

In calculating the value of immovable property, you need therefore consider not only the value of the building and its amenities, but also the worth of the land itself. This typically does not apply to flora or fauna. There is also the issue of whether or not any value is fixed to "rights to that land" in other words, whether it contains some historical value or other quality which would accentuate or negate its marketability.

There are other forms of value.

The valuation process for buildings differs from that of land in two ways:

a) A cost of maintenance is involved in the repairs which have to be made from time to time in the upkeep of the building. Such asset maintenance expenses are charged as they are incurred to the income statement. Additions and improvements to the building, which are distinguished from repairs, must be capitalized and added to the value of the building on the balance sheet.

b) Buildings depreciate in the course of use and as they become dated. Whereas this may not always be true of residential property, it is invariably true as

regards industrial and farm buildings. In such cases, the account value should be shown at cost less the accumulated depreciation to date of the balance sheet.

While market forces usually determine the going price of a piece of property, there are other considerations. This is especially the case if an immovable property can provide for renting or leasing of units. Also, there is the possibility that open land associated with a property offers an investment or development opportunity. All these contingencies could augment the potential value.

As it above stated, immovable property is property that has a fixed location and cannot be moved or transferred elsewhere. It can be built upon or affixed to the ground; the term legally also refers to land or the premises upon which a home or building stands. In real-estate law, immovable property has specific characteristics and ownership confers certain rights upon those persons holding full or partial title to the property.

Immovable property has a fixed address, determined by the jurisdiction where it is located. By definition, immovable property is permanent, and it may include buildings, improvements and natural features. Immovable property does not normally include livestock, crops or botanical species including trees or hedges.

Rights and Privileges – Immovable property also includes all of the legal rights and privileges that are associated with it, such as the right to collect rent by the terms of a lease agreement, the right of occupation, the right to transfer or sell the property and the right of free passage onto and through the surrounding land.

Right of Improvement – The owner of immovable property has the right to alter, improve or renovate the property as long as the project remains within the bounds of local governing ordinances and the owner or owners acquire the necessary permits. Normally the owner must also give permission in writing to anyone seeking to make improvements or alter the property in any way.

Real and Personal Property – The most important distinction in property is between immovable and personal property, which includes transferable and

movable items such as automobiles, furniture, items of value, jewelry, cash and stock certificates.

Ownership Interest.

There are different classifications of ownership interests in immovable property. These include fee simple, in which the property can be freely transferred to another party; leasehold, in which use of the property is temporary and governed by a lease; and life estate, which lasts for the ownerships' life and is then

Immovable property is an immovable object, an item of property that cannot be moved without destroying or altering it - property that is fixed to the Earth, such as land or a house. In the United States it is also commercially and legally known as real estate and in Britain as property. It is known by other terms in other countries of the world.

Immovable property includes premises, and property rights (for example, inheritable building right), houses, land and associated goods and chattels if they are located on, or below, or have a fixed address. It is delimited by geographic coordinates or by reference to local landmarks, depending on the jurisdiction.

To describe it in more detail, immovable property includes land, buildings, hereditary allowances, rights to way, lights, ferries, fisheries or any other benefit which arises out of land, and things attached to the earth or permanently fastened to anything which is attached to the earth. It does not include standing timber, growing crops, or grass. It includes the right to collect rent, life interest in the income of the immovable property, a right of way, a fishery, or a lease of land.

Other sources describe immovable property as "any land or any building or part of a building, and includes, where any land or any building or part of a building is to be transferred together with any machinery, plant, furniture, fittings or other things, such machinery, plant, furniture, fittings and other things also. Any rights in or with respect to any land or any building or part of building (whether or not including any machinery, plant, furniture, fittings or other things therein) which has been constructed or which is to be constructed, accruing or arising from any transaction (whether by way of becoming a member of, or acquiring shares in, a

co-operative society, or other association of persons or by way of any agreement or any arrangement of whatever nature, not being a transaction by way of sale, exchange or lease of such land, building or part of a building."

Immovable property cannot be altered or remodeled, added to, or reconstructed without entering into an agreement with and getting permission from its owner. Construction, alteration, and demolition may also be subject to government regulation, such as the need to obey zoning laws and obtain building permits.

Immovable Property is Real Estate in other words. Immovable Property is: "Immovable object, real estate, item of property. Includes premises, and property rights (for example, heritable building right), houses, land and associated goods and chattels." Immovable Property is the legal and alternative term for Real Estate".

Real estate or immovable property is a legal term that encompasses land along with anything permanently affixed to the land, such as buildings. Real estate i.e. immovable property is often considered synonymous with real property, also sometimes called realty, in contrast with personal property, also sometimes called chattel or personality. However, for technical purposes, some people prefer to distinguish real estate, referring to the land and fixtures themselves, from real property, referring to ownership rights over real estate.

Also, a property or an object, which can be moved by destroying it would be considered a "destructible property" rather than an "immovable property".

The National standard of the assessment of property of the Republic of Uzbekistan is "Value assessment of real estate".

There is National standard of the assessment of property of the Republic of Uzbekistan (NSOI N 10) "Value assessment of real estate" which was adopted according to the Law of the Republic of Uzbekistan "About estimative activities" (Sheets of Oliy Majlis of the Republic of Uzbekistan, 1999, N 9, Art. 208), the resolution of the President of the Republic of Uzbekistan from April 24, 2008 of N PP-843 "About further enhancement of activities of the estimative organizations

and increase of their responsibility for quality of rendered services" determines normative regulation of estimative activities in the Republic of Uzbekistan.

According to this National Standard:

In carrying out assessments for financial reporting purposes, depending on the purpose of the ownership of real estate is divided into the following categories:

- The real estate which used in the activity of the enterprise (business);
- The investment property that is used to obtain a present or future rental income or to maintain or increase the cost of capital;
- The real estate, surplus to the needs of production (of business);
- The real estate for purposes of exploration and development.
- The real estate which used as commodity stocks.

Three approaches to value:

There are three general groups of methodologies for determining value. These are usually referred to as the "three approaches to value" which are generally independent of each other:

1. The cost approach
2. The sales comparison approach and
3. The income approach

The cost approach

The cost approach was formerly called the summation approach. The theory is that the value of a property can be estimated by summing the land value and the depreciated value of any improvements. The value of the improvements is often referred to by the abbreviation RCNLD (reproduction cost new less depreciation or replacement cost new less depreciation). Reproduction refers to reproducing an exact replica. Replacement cost refers to the cost of building a house or other improvement which has the same utility, but using modern design, workmanship and materials. In practice, appraisers almost always use replacement cost and then deduct a factor for any functional dis-utility associated with the age of the subject property. An exception to the general rule of using the replacement cost is for some

insurance value appraisals. In those cases, reproduction of the exact asset after the destructive event (fire, etc.) is the goal.

In most instances when the cost approach is involved, the overall methodology is a hybrid of the cost and sales comparison approaches. For example, the replacement cost to construct a building can be determined by adding the labor, material, and other costs. On the other hand, land values and depreciation must be derived from an analysis of comparable sales data.

The cost approach is considered most reliable when used on newer structures, but the method tends to become less reliable for older properties. The cost approach is often the only reliable approach when dealing with special use properties (e.g., public assembly, marinas).

The sales comparison approach

The sales comparison approach in a real estate appraisal is based primarily on the principle of substitution. This approach assumes a prudent individual will pay no more for a property than it would cost to purchase a comparable substitute property. The approach recognizes that a typical buyer will compare asking prices and seek to purchase the property that meets his or her wants and needs for the lowest cost. In developing the sales comparison approach, the appraiser attempts to interpret and measure the actions of parties involved in the marketplace, including buyers, sellers, and investors.

Data collection methods and valuation process Data is collected on recent sales of properties similar to the subject being valued, called "comparable". Only sold properties may be used in an appraisal and determination of a property's value. Sources of comparable data include real estate publications, public records, buyers, sellers, real estate brokers and/or agents, appraisers, and so on. Important details of each comparable sale are described in the appraisal report. Since comparable sales aren't identical to the subject property, adjustments may be made for date of sale, location, style, amenities, square footage, site size, etc. The main idea is to simulate the price that would have been paid if each comparable sale were identical to the subject property. If the comparable is superior to the subject in a factor or

aspect, then a downward adjustment is needed for that factor. Likewise, if the comparable is inferior to the subject in an aspect, then an upward adjustment for that aspect is needed. The adjustment is somewhat subjective and relies on the Appraiser's training and experience. From the analysis of the group of adjusted sales prices of the comparable sales, the appraiser selects an indicator of value that is representative of the subject property. It is possible for various Appraisers to choose different indicator of value which ultimately will provide different property value.

Steps in the sales comparison approach

1. Research the market to obtain information pertaining to sales, and pending sales that are similar to the subject property.
2. Investigate the market data to determine whether they are factually correct and accurate.
3. Determine relevant units of comparison (e.g., sales price per square foot), and develop a comparative analysis for each.
4. Compare the subject and comparable sales according to the elements of comparison and adjust as appropriate.
5. Reconcile the multiple value indications that result from the adjustment (upward or downward) of the comparable sales into a single value indication.

The Income approach

The income capitalization approach (often referred to simply as the "income approach") is used to value commercial and investment properties. Because it is intended to directly reflect or model the expectations and behaviors of typical market participants, this approach is generally considered the most applicable valuation technique for income-producing properties, where sufficient market data exists.

In a commercial income-producing property this approach capitalizes an income stream into a value indication. This can be done using revenue multipliers or capitalization rates applied to a Net Operating Income (NOI). Usually, an NOI has been stabilized so as not to place too much weight on a very recent event. An

example of this is an unleased building which, technically, has no NOI. A stabilized NOI would assume that the building is leased at a normal rate, and to usual occupancy levels. The Net Operating Income (NOI) is gross potential income (GPI), less vacancy and collection loss (Effective Gross Income) less operating expenses (but excluding debt service, income taxes, and/or depreciation charges applied by accountants).

Alternatively, multiple years of net operating income can be valued by a discounted cash flow analysis (DCF) model. The DCF model is widely used to value larger and more expensive income-producing properties, such as large office towers or major shopping centers. This technique applies market-supported yields (or discount rates) to projected future cash flows (such as annual income figures and typically a lump reversion from the eventual sale of the property) to arrive at a present value indication.

Real estate appraisal, property valuation is the process of valuing real property. The value usually sought is the property's market value. Appraisals are needed because compared to, say, corporate stock, real estate transactions occur very infrequently. Not only that, but every property is different from the next, a factor that doesn't affect assets like corporate stock. Furthermore, all properties differ from each other in their location - which is an important factor in their value. This product differentiation and lack of frequent trading, unlike stocks, means that specialist qualified appraisers are needed to advise on the value of a property. The appraiser usually provides a written report on this value to his or her client. These reports are used as the basis for mortgage loans, for settling estates and divorces, for tax matters, and so on. Sometimes the appraisal report is used by both parties to set the sale price of the property appraised.

There are several types and definitions of value sought by a real estate appraisal. Some of the most common are:

International Valuation Standards (IVS) define:

Market value - the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an

arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Value-in-use, or use value – The net present value (NPV) of a cash flow that an asset generates for a specific owner under a specific use. Value-in-use is the value to one particular user, and may be above or below the market value of a property.

Investment value - is the value to one particular investor, and may or may not be higher than the market value of a property. Differences between the investment value of an asset and its market value provide the motivation for buyers or sellers to enter the marketplace. International Valuation Standards (IVS) define:

Investment value - the value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Insurable value - is the value of real property covered by an insurance policy. Generally it does not include the site value.

Liquidation value - may be analyzed as either a forced liquidation or an orderly liquidation and is a commonly sought standard of value in bankruptcy proceedings. It assumes a seller who is compelled to sell after an exposure period which is less than the market-normal time-frame.

Price versus value. There can be differences between what the property is really worth (market value) and what it cost to buy it (price). A price paid might not represent that property's market value. Sometimes, special considerations may have been present, such as a special relationship between the buyer and the seller where one party had control or significant influence over the other party. In other cases, the transaction may have been just one of several properties sold or traded between two parties. In such cases, the price paid for any particular piece isn't its market 'value' (with the idea usually being, though, that all the pieces and prices add up to market value of all the parts) but rather its market 'price'.

At other times, a buyer may willingly pay a premium price, above the generally-accepted market value, if his subjective valuation of the property (its investment value for him) was higher than the market value. One specific example

of this is an owner of a neighboring property who, by combining his own property with the subject property, could obtain economies-of-scale. Similar situations sometimes happen in corporate finance. For example, this can occur when a merger or acquisition happens at a price which is higher than the value represented by the price of the underlying stock. The usual explanation for these types of mergers and acquisitions is that 'the sum is greater than its parts', since full ownership of a company provides full control of it. This is something that purchasers will sometimes pay a high price for. This situation can happen in real estate purchases too.

But the most common reason why the value can be different than the price paid, is that one of the two parties (buyer or the seller) is uninformed as to what a property's market value is, but nevertheless agrees to buy or sell it at a certain price which is too expensive, or too cheap. This is unfortunate for one of the two parties. It is the obligation of a Real Property Appraiser to estimate the true 'market value' of specific real property and not its 'market price'.

Valuation methods of the United Kingdom.

In the United Kingdom, valuation methodology has traditionally been classified into five methods:

1. Comparative method. Used for most types of property where there is good evidence of previous sales. This is analogous to the sales comparison approach outlined above.

2. Investment method. Used for most commercial (and residential) property that is producing future cash flows through the letting of the property. If the current Estimated Rental Value (ERV) and the passing income are known, as well as the market-determined equivalent yield, then the property value can be determined by means of a simple model. Note that this method is really a comparison method, since the main variables are determined in the market. In standard US practice, however, the closely related capitalizing of NOI is confounded with the DCF method under the general classification of the income capitalization approach (see above).

3. Residual method. Used for properties ripe for development or redevelopment or for bare land only.

4. Profit method. Used for trading properties where evidence of rates is slight, such as hotels, restaurants and old-age homes. A three-year average of operating income (derived from the profit and loss or income statement) is capitalized using an appropriate yield. Note that since the variables used are inherent to the property and are not market-derived, therefore unless appropriate adjustments are made, the resulting value will be Value-in-Use or Investment Value, not Market Value.

5. Cost method. Used for land and buildings of special character for which profit figures cannot be obtained or land and buildings for which there is no market because of their public service or heritage characteristics. Both the residual method and the cost method would be grouped in the US under the cost approach.

In some areas, an appraiser doesn't need a license or any certification to appraise property. Usually, however, most countries or regions require that appraisals are done by a licensed or certified appraiser (in many countries known as a Property valuer or Land valuer and in British English as a "valuation surveyor"). If the appraiser's opinion is based on Market Value, then it must also be based on the Highest and Best Use of the real property. For mortgage valuations of improved residential property in the US, the appraisal is most often reported on a standardized form, such as the Uniform Residential Appraisal Report. Appraisals of more complex property (e.g. income producing, raw land) are usually reported in a narrative appraisal report.

2. THE COMPOSITION OF FIXED ASSETS – LAND FACTOR AND WAYS OF ITS VALUATION

2.1. Land factor and its economic essence

In economics, land comprises all naturally occurring resources whose supply is inherently fixed. Examples are any and all particular geographical locations, mineral deposits, and even geostationary orbit locations and portions of the electromagnetic spectrum. Natural resources are fundamental to the production of all goods, including capital goods. Location values must not be confused with values imparted by fixed capital improvements. In classical economics, land is considered one of the three factors of production (along with capital, and labor). In some cases, land may be merged with capital due to the relatively small importance that land has in industrial and service sectors. Income derived from ownership or control of natural resources is referred to as rent.

Land was sometimes defined in classical and neoclassical economics as the "original and indestructible powers of the soil." Georgics hold that this implies a perfectly inelastic supply curve (i.e., zero elasticity), suggesting that a land value tax that recovers the rent of land for public purposes would not affect the opportunity cost of using land, but would instead only decrease the value of owning it. This view is supported by evidence that although land can come on and off the market, market inventories of land show if anything an inverse relationship to price (i.e., negative elasticity).

As a tangible asset land is represented in accounting as a fixed asset or a capital asset.

In other words, land is the economic resource encompassing natural resources found within a national economy. This resource includes timber, land, fisheries, farms and other similar natural resources. Land is usually a limited resource for many economies. Although some natural resources, such as timber, food and animals, are renewable, the physical land is usually a fixed resource.

Nations must carefully use their land resource by creating a mix of natural and industrial uses. Using land for industrial purposes allows nations to improve the production processes for turning natural resources into consumer goods.

Characteristics of Land:

1) Land, in an economic sense, is defined as the entire material universe outside of people themselves and the products of people. It includes all natural resources, materials, airwaves, as well as the ground. All air, soil, minerals and water is included in the definition of land. Everything that is freely supplied by nature, and not made by man, is categorized as land.

2) Land holds a unique and pivotal position in social, political, environmental and economic theory. Land supports all life and stands at the center of human culture and institutions. All people, at all times, must make use of land. Land has no cost of production. It is nature's gift to mankind, which enables life to continue and prosper.

3) Land's uniqueness stems from its fixed supply and immobility. Land cannot be manufactured or reproduced. Land is required directly or indirectly in the production of all goods and services. Land is our most basic resource and the source of all wealth.

When considering world-wide economics, most people think that land rent contributes only a small insignificant portion of value. But as societies progress, land has become the predominant force in determining the progress or poverty of all people within a community. Land in major cities is so costly that people are forced to move further away and travel great distances in order to get to work and social attractions. In the more developed countries of the world, land rent represents more than 40% of gross annual production.

Since land is fixed in supply, as more land is demanded by people the rent will increase proportionally. Demand is the sole determinant of land rent. Changes in land rent and land taxes have no impact on the supply of land, because the land supply is fixed and cannot be significantly expanded. Labor and capital are variable in supply. A higher price for commodities causes more labor and capital to

make it available. Labor and capital are rewarded for their work. A high price is an incentive to work harder and longer, while a low price is not an incentive to work harder and longer.

The economic market rental value of land should be sufficient to finance public services and to obviate the need for raising revenue from taxes, such as income or wage taxes; sales, commodity or value-added taxes; and taxes on buildings, machinery and industry. Public revenue should not be supplied by taxes on people and enterprise until after all of the available revenue has been first collected from the natural and community created value of land. Only if land rent were insufficient would it be necessary to collect any taxes.

If any three factors are known, the fourth can be calculated. The term land rental value can be used instead of market value, or vice versa, in the discussion of land assessment systems.

Principles of Land Assessment

An appraisal is essentially an expert opinion of the market value of a site; the assessor must present one that is supportable and comprehensible. The assessor must develop and use specific terminology suitable and pertinent to land appraisal.

Land is the entire non-reproducible, physical universe, including all natural resources. A land site includes everything within the earth, under its boundaries and over it, extending infinitely into space. In addition to a location for a house or building, a land site would include the minerals, water, trees, view, sunshine and air space. The shape of the site can be described as an inverted cone with its apex at the center of the earth and extending upward through the surface into space.

In appraisal, a land site is a parcel of land that is finished and ready for use under the standards prevailing in its area. It might have the necessary public utilities in place, like gas, electricity, water, telephone and sewer, with streets, sidewalks drainage and grading completed.

The assessment process is essentially the valuation of rights to use or possess land sites. Other kinds of rights include subsurface mineral rights, riparian (water)

rights, grazing rights, timber rights, fishing rights, hunting rights, access rights and air rights.

The assessor bases his estimate of land market value upon basic economic principles which serve as the foundation of the valuation process. There are many economic principles which people and assessors must understand and use when implementing judgment to estimate land market values. It is necessary to discuss a few of the more important principles.

The principle of substitution maintains that the value of a property tends to be set by the price that a person would have to pay to acquire an equally desirable substitute property, assuming that no expensive delay is encountered in making the substitution. A person would pay no more for a site than would have to be paid for an equally desirable site.

The principle of supply and demand holds that the value of a site will increase if the demand increases and the supply remains the same. The value of the site would decrease if the demand decreased. Land is unique, since the supply is fixed; its value varies directly with demand.

The principle of anticipation contends that land value can go up or down in anticipation of a future event occurring, or a future benefit or detriment.

The principle of conformity contends that land will achieve its maximum value when it is used in a way that conforms to the existing economic and social standards within a neighborhood.

Limitations on Land Ownership and Use - While land is the gift of nature, certain legal, political and social constraints have been imposed in most societies throughout the years. Every nation imposes certain public limitations on land ownership and use for the common good of all citizens. Four forms of governmental control include:

Taxation — Power to tax the land to provide public revenue and to return to the community the costs incurred to pay for the various public benefits, services and environmental protection, which are provided by the government;

Eminent Domain — Right to use, hold or take land for common public uses and benefits;

Police Power — Right to regulate land use for the welfare of the public, in the areas of safety, health, morals, general welfare, zoning, building codes, traffic regulations and sanitary regulations;

Escheat — Right to have land reverts to the public's agent, the government, when taxes are not paid or when there are no legal heirs.

Factors that Contribute to Land Value - The physical attributes of land include quality of location, fertility and climate; convenience to shopping, schools and parks; availability of water, sewers, utilities and public transportation; absence of bad smells, smoke and noise; and patterns of land use, frontage, depth, topography, streets and lot sizes.

The legal or governmental forces include the type and amount of taxation, zoning and building laws, planning and restrictions.

The social factors include population growth or decline, changes in family sizes, typical ages, and attitudes toward law and order, prestige and education levels.

The economic forces include value and income levels, growth and new construction, vacancy and availability of land. It is the influences of these forces, expressed independently and in relationship to one another, that help the people and the assessor measure value.

Highest and Best Use of Land - A land site should be made available to the users who can make the highest and best effective use of the site and maximize the site benefits for all people. The proper system of assessment and taxation of land can provide for the proper economic use of the land. A high land tax on an improperly improved site tends to cause the site holder to either better improve his site to obtain greater return with which to pay the land tax, or to look for someone else with the means to properly improve the site. A land tax can also provide the source of public revenue which the local governing body could use for the benefit

of all people. Before an assessment can proceed, the highest and best use must be determined for each site.

The economics of production should provide the atmosphere for the most efficient use to be made of all land. The assessment process is based on the highest, best and most profitable use of land. The highest and best use considers only the uses that are legally permissible (meeting zoning, health, and public restrictions), physically possible (has adequate size, soil conditions, and accessibility), and is economically feasible (income is anticipated). The use that meets these criteria and produces the greatest net earnings (best returns) is the highest and best use.

Procedures for Land Assessment - An assessment (or an appraisal) is essentially an opinion of value made by an experienced knowledgeable person. Specialists are known as assessors who base their estimate of land market value, upon basic economic principles which serve as the foundation of the valuation process. Anyone can learn how to do this and learn to do it better.

The assessment or appraisal process is an organized procedural analysis of data. This procedure involves six specific phases, each of which contains numerous procedures.

1. Defining the Assignment

The goal is to estimate the market value of all land sites within a given district. This will include manufacturing enterprises, apartments, commercial enterprises, single family home sites, government land, farms and all other land and natural resources of various descriptions.

The assessor should be able to support his estimate of land market, both in discussion and in writing. The assessor must define and use specific terminology suitable and pertinent to land appraisal. Economic Land Rent was defined as the value paid or imputed for the exclusive right to use a land site location or natural resources for a period of time, generally one year.

2. Determining the Data required and it's Source

A land market assessment system is based upon data related to land attributes. These data generally include maps; aerial photographs; descriptions of physical characteristics like size, shape, view and topography; permitted uses; economic usefulness; present uses; available utilities; proximity to town centers or employment; and site improvements like streets, curbs, gutters, sidewalks and street lights. Governments have much of this data available in the different agencies.

If land market values have been estimated in the past, attempts should be made to build upon the existing systems while making constant improvements to data collection.

3. Collecting and Recording the Data

Most governments do not have all of this information available in a single data base capable of analysis. Assessors must determine; 1) what land data and valuation systems currently exist, 2) how effectively they operate, 3) how to build upon and improve these systems and 4) how to implement procedures for collecting additional data to improve the estimates of land values.

If no effective land revenue systems are in place they can be created in a manner similar to the following. Assessors should ascertain what land data presently exists and how it could be assembled for use in a land valuation system. They should collect and maintain the data needed from any existing records even though it is not currently stored in a single source. They should determine what additional data would be valuable and from what sources it can be obtained. They should develop procedures for collecting any additional data required to determine land market values and the data should be collected for the differences in characteristics for each site.

The assessor may train a small team to find and record the additional desired data. The data should be displayed in a useful manner such as on a land market value map or a computer printout. In an area with no systems or data in place, simple relationships could be drawn for permitted use (zone), distance to amenities (location), physical characteristics (size, topography, view, and so on) and other

significant factors. Data could be collected and analyzed on a neighborhood and type of potential use basis.

Conversations with residents and businessmen could help to define the parameters which people in the local community use to determine favorable land location. An interview might reveal that the distance to transportation, such as a river, roadway or public transportation, weighs greatly in people's minds. Or, other factors may predominate, such as homogeneity of a neighborhood or distance to shopping and schools. Planners, government officials, real estate agents, appraisers and others involved in real estate may also provide useful data.

Even if no land sales or market evidence exists, the specific factors which influence land market value are well understood by most people in any area, even in primitive cultures. The assessor's job is one of skillfully determining the relative priorities identified by local people.

4. Verifying the Data

Since the appraisal process is an opinion of market value that is not based upon the personal experience of the assessor, the data collected should be verified with two different sources. Market data should be verified with a person directly involved in the transaction. For example, one party could be the selling agent representing the responsible for the sale. Another party could be the site user who agrees to the sale amount. Additional sources might be government land agents or officials who have first-hand knowledge of the sale. Inaccuracies can also be brought to light by concerned citizens if the data is made available to the public.

5. Analyzing and Interpreting the Data

The balance of this report will be concentrated on various methods of analyzing and interpreting land market data. Several methods will be suggested to secure the goal of estimating the market value of all land sites.

6. Estimating the Market Values

Once the analysis has been concluded, it will be possible for the assessor to make a rational estimate of the market value of every land site. This estimate will serve as the basis for the value that will be paid by a site user for the exclusive use

of a location (site). The assessor would assign preliminary land value estimates based upon the comparative estimated usefulness and desirability of the sites. Initially, they could accomplish this task in a general manner, with the understanding that refinements would be made to reflect new information and public opinion.

7. Public Examination and Analysis of the Land Market Values

The preliminary land value assessment, estimated for each site, could then be displayed on a land market map. Public examination and analysis of the land market values for land sites would help to clarify any errors in assessments. People who occupy land acquire skills in noticing slight differences in land characteristics. They can explain to the assessor why and how differences should be reflected in the conclusions about land values.

Once an adequate sample survey has been completed and had favorable public review, the result can be used throughout the total area. These sample data results could be used to estimate the comparative markets of each land site.

To ensure the optimal and equitable use of land sites, land assessments should reflect the attitudes of the individuals who can make the highest and best use of the site, who would be willing to pay more than individuals with inferior uses in mind. Those neither requiring nor willing to pay the land taxes for a superior site would use another site that met their needs, desire and budget, thus making it available for others who can pay for the better site.

8. Periodic Updating of Assessments

Land market values tend to increase each year at a rate usually greater than inflation. Building values tend to decline each year, because of a wearing out of the physical structure or its functional desirability. If assessments are not maintained on a regular basis (annually) land will become greatly under-assessed and buildings will be over-assessed in only a few years.

Three Approaches to Valuing of Land.

Valuation of the land involves first determining the highest and best use of the site, estimating the value by current appraisal theory, and reconciling to a final estimate of value.

The first step in the valuation of land is determining the highest and best use of the site. The four criteria that highest and best use must meet are: physically possible, legally permissible, financially feasible, and maximally productive. Two types of analyzes are made in determining the highest and best use. The first is the highest and best use of the site, if vacant; the second is the highest and best use of the site as improved, or if undeveloped as proposed to be improved.

There are three standard approaches to estimating market value that form the foundation for current appraisal theory: the cost approach, the sales comparison approach and the income approach.

The cost approach is based upon the principle that the informed purchaser would pay no more than the cost to produce a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exists no comparable properties on the market.

The sales comparison approach utilizes prices paid in actual market transactions of similar properties to estimate the value of the site. This appraisal technique is dependent upon utilizing truly comparable market or sales data which have occurred near enough in time to reflect market conditions relative to the time period of the appraisal. This method could also be used to estimate the rental value.

The income capitalization approach is widely applied in appraising income-producing properties. Anticipated present and future net operating incomes, as well as any future reversions, are discounted to a present worth figure through the capitalization process. This approach also relies upon market data to establish current market values and expense levels to arrive at an expected net operating income.

The resulting indications of value from the three approaches to value are correlated into a final estimate of value for the site. It is not always possible or practicable to use all three approaches to value. The nature of the property being appraised, and the amount, quality, and type of data available dictate the use of each of the three approaches. Variations of the three approaches to value can be devised. Several will be presented in this paper.

Specific Methods Used in Appraising Land Value

In the valuation process the land value estimate is a separate step accomplished by applying either sales comparison or income capitalization techniques. The most reliable way to estimate land value is by sales comparison. When few sales are available or when the value indications produced through sales comparison require substantiation, other procedures may be used to value land. In all, seven procedures can be used to obtain land value indications.

Sales comparison — Sales of similar, vacant parcels are analyzed, compared, and adjusted to provide a value indication for the land being appraised.

Proportional Relationship — relating a site to a known standard site. The difference can be expressed as a percentage. This procedure can be used when there is little value evidence in existence.

Land Residual Technique — it is assumed that the land is improved to its highest and best use. All operating expenses and the return attributable to other agents of production are deducted, and the net income imputed to the land is capitalized to derive an estimate of land value.

Allocation — Sales of improved properties are analyzed, and the prices paid are allocated between the land and the improvements.

Extraction — Land value is estimated by subtracting the estimated value of the depreciated improvements from the known sale price of the property.

Ground Rent Capitalization — this procedure is used when land rental and capitalization rates are readily available, as in well-developed areas. Net ground rent — the net amount paid for the right to use and occupy the land — is estimated and divided by a land capitalization rate.

Subdivision Development — the total value of undeveloped land is estimated as if the land were subdivided, developed, and sold. Development costs, incentive costs, and carrying charges are subtracted from the estimated proceeds of sale, and the net income projection is discounted over the estimated period required for market absorption of the developed sites.

2.2. Problems in accounting of Land property in the conditions of economic modernization

Rational use of land, its reproduction and reclamation, conservation and improvement of the environment, creation of conditions for equal development of all forms of management, protection of rights of individuals and legal entities for the land, as well as strengthening the rule of law in this field has been assigned a special part in Uzbekistan. Land belongs to the government and people may enjoy only use rights to land. As stated in the Land Code, "the land is a national wealth subject to rational use and protected by the state as a basis of life, activity and well-being of the people of the Republic of Uzbekistan". The document mainly implies the regulation of land relations in order to provide a science-based and rational use and conservation of lands for present and future generations. The land legislation consists of the Code and other legal acts regulating land relations.

The Land Code of the Republic of Uzbekistan was adopted in 1998. Over the years, the Code was amended seven times in line with the changes within the reformation in the sphere of the land use. It grounded a range of regulatory documents adopted by the government. Reference rules envisage regulation of the issues pertaining to distribution of land; determine their categories and boundaries, and many other items.

The Constitution of the Republic of Uzbekistan neither establishes nor eliminates the possibility of private land ownership in Uzbekistan. Since the independence a number of statutes of different levels have been passed. The two main ones in terms of land tenure are the Civil Code and the Land Law. According

to the Land Law, land belongs to the State; individuals may only enjoy use rights on land, which cannot be transferred.

We know that the lands are divided into eight categories: agricultural, lands of water and forest stock, etc., and all of these categories have their own legal status. In this context the government adopts certain regulations that handle the relationships within each category of land. For example, a resolution was adopted due to the introduction of amendments to the Article 34 of the Land Code in 2009. The article regulates the activity of the commission for land assignment. In 2011, the Cabinet of Ministers approved a range of resolutions that regulate the assignment of land for building both housing and non-residential facilities. They specify the procedure and clearly define the terms of consideration of the documents, elaborate the mechanism of land assignment. Meanwhile, during our discussion we identified some issues and revealed the need for additional instruments that would facilitate the proper execution of the provisions of the Land Code.

The issues related to the Land and its accounting is main subjects of national accounting system. According to the National Standard of Accounting No 21, Land counts in the account 0110 “Land”.

Account 0110 “Land” includes granted land to enterprise’s ownership in accordance with the current legislation. When purchasing land there are often additional costs, payable in addition to the cost: costs of Commission estate agents, lawyers’ fees, taxes at purchase cost, drainage, cleaning and leveling the Land. These costs, as well as land costs are charged to the account 0110 “Land”.

The total cost of the land, including grading, sanitation, and surveying, capitalized on the account 0110 “Land”, as these costs are necessary to further the use of land and increasing its value.

When land is acquired for the reconstruction or for the construction of buildings and structures, the cost of removing of the existing designs and other barriers are capitalized on the debit account 0110 “Land”. The revenue from the

sale of materials, which received after the elimination of these designs, they reduce expenses.

However, if the Land is already owned, and existing structures are eliminated to provide new construction sites, demolition costs are not capitalized on the account 0110 "Land", and they are recognized as a loss or expenses which reduce earnings on disposal of old constructions.

The account 0111 "Improvement of the Land" takes into account the expenditures on Land improvements, including costs of roads, parking places for cars and other vehicles, fences and other types of landscaping efforts.

In the production, land is considered as an active and decisive factor. The land is a part of a unique non-productive production of fixed assets. Land is not depreciated, because its value is not reduced in the production process, it does not wear out. In some cases, you can reduce the value of the land to show its reducing value.

Currently, there are several actual problems in the accounting of the land. You may want to consider the following issues:

1. in most cases, when you purchase the land you may face other additional expenses, which are included in the value of the land. It is correct to include these costs in the price of land. This is a vital issue at present. If the accountant does not capitalize land in the land-invoices, it could affect the tax change and net profit at the end of the reporting period.

If we analyze this case, the following costs shall be shown in the debit of the account: commission payments to estate agents, payment of taxes, fees paid by the buyer, the cost of cleaning and leveling land, and includes expenditures on geodetic research. If the land is purchased for construction, the costs associated with the removal of structures on land are capitalized. Trading revenues received from the sale of materials associated with the destruction of structures, reduces the cost of land. The values of the materials taken after destroying of structures are determined and by the same amount the value of land decreases. If the land belongs to the Organization and if the constructions were demolished for the

construction of new facilities, these costs are not capitalized in the land, on the contrary it increases the loss from demolition of constructions or decreases the profit. For example, if the land is purchased for construction of a petrol station, the cost of land includes the costs associated with the purchase of land. If the Organization in the free area of land arranges parking for cars, these costs are not included in the price of land.

2. The next problem on land accounting is to properly keep records of expenses associated with the cultivation of land. Some categories of improvement, for example, the cost of artificial flowers, trees and forests are included in the cost of land. Short-lived expenses, such as costs associated with natural flowers are not included in price of land. Mistakes of accountant, in accounting of land associated with the purchase and sale of land leads to many errors.

3. The third problem associated with the correct calculation of land tax by an accountant. The accountant should be responsible for calculating land tax.

If you look at the documents associated with a land tax, there are two types of land: 1. Taxable land 2. Not taxable land. The accountant must properly separate the types of land. If the accountant will not properly account, then the report will be not suitable for the rules of taxation.

4. In most cases, the land lease is an operating lease. Because the term of using land is not restricted. If the lease means purchase or allows you the right to use the land, then the entity is considered a long-term sale and rent should be capitalized. If the value of the property taken on lease at market value, the value of the land is below 25 percent, then this operation is considered the rent of equipment. If more than 25 per cent of the value of the land, the rent of land should be considered separately. This is considered to be important in accounting. If we organize, we would approach to international accounting standards.

5. If there are vital issues in the accounting of land, you should use the land for its intended purpose, you need to create a single State policy to protect land, adopt legislations to regulate land relations and etc.

2.3. The accounting of fixed assets in The State Unitary Enterprise “Yermulkkadastr”

The Cabinet of Ministers adopted regulations for implementation of presidential decree No. 3502 from October 15, 2004, about the creation of a Committee on land resources, geodesy, cartography and Cadaster of the Republic of Uzbekistan.

Branch of the State Cadaster of the Republic of Uzbekistan “Yermulkkadastr” performs the following functions:

- Collects, parses, aggregates, stores and updates the inventory records;
- Leads the State land Cadaster;
- Leads Public inventory of buildings and structures;
- Perform scientific survey works, performs and maintains regulatory and technical instruments;
- Provides consumers with cadaster information;
- Registers the right to property.
- Evaluates and makes a reassessment of residential houses, buildings and structures.

“Yermulkkadastr” is a legal person, has its own budget and operates on the basis of full cost accounting and cost recovery.

“Yermulkkadastr” can use the fixed assets, office rooms and warehouses, communication facilities, property, equipment, assets, tools, vehicles and other supplied to “Yermulkkadastr’s” ownership or lease of various institutions, organizations, enterprises and is responsible for the safekeeping according to its obligations.

Accounting policy of “Yermulkkadastr” was approved in 2013 by the chief T.U. Atabaev.

Paragraph 1.1 of accounting policy is devoted to accounting of fixed assets and the title of the section is “Recording of fixed assets”.

Procedure for accounting of fixed assets is regulated by NAS № 5 “Fixed assets”. Therefore, while developing the issue of accounting policy on fixed assets, operations should be guided by the standard.

According to the accounting policy of the Organization, fixed assets are material assets, which the enterprise has, to use them in the production of products, performance of works or provision of services, or for administrative and sociocultural functions, for a long time while conducting of business.

Fixed assets should be recognized as an asset when:

1. There is a belief that the company will do in the future economic profit from their use;
2. The cost of the asset can be measured exactly;

The fixed assets are tangible assets that meet the following criteria:

1. Service life is longer than one year;
2. Items costing more than fifty minimum wages established in the Republic of Uzbekistan (at time of purchase) per unit. Head of the company has the right to set a lower limit for the reporting year, the value of items for their recording of fixed assets.

Once in a year, on 30 November, the fixed assets have inventory which is done according to national accounting standard no. 19. Revaluation of fixed assets is conducted by the price close to market’s value. If 100 percent of the amortization of fixed assets credited, revaluation is not performed. Revaluated value of fixed assets is considered as the replacement value. The record of income of fixed assets and their movement is conducted only on primary documents.

On the order of the head of the Organization, the Commission is gathered to write off of fixed assets. Depreciation of fixed assets is calculated every month and conducted appropriate documentation.

During the study and analysis of accounting of fixed assets of Fergana “Yermulkkadastr”, there was used the following sources (documents):

- Report form-1 - “Buxgalteriya balansi”;
- Report form-3 - “Asosiy vositalar harakati to’g’risidagi hisobot”;

- Chart of calculating depreciation of fixed assets.
- Chart of revalued fixed assets.
- Fixed assets' accounting transactions.

For income of fixed assets the organization received from suppliers' sales contract and invoices.

For example, in 02.03.2006 the computer P4 was bought under contract and was issued on the basis of the invoice. And were given the following accounting transactions.

1. Purchasing fixed assets:

Debit 0150 **Credit** 0820 691 000 (Sum)

The inventory number was given to each fixed asset by the Enterprise. For example, buildings from 001 to 099, constructions from 100 to 199, the current assets from 200 to 299 and so on. On the basis of the accounting act the inventory card FA-6 was opened and all data was written there about bought fixed assets. The inventory card consists of all the necessary information about fixed assets: name of fixed asset, technical characteristics, percentage of depreciation deductions and amount, and accounting records related to fixed assets. Below the inventory card FA-22 is given, which was opened with the posting computer P4.

In the inventory card no. 22 accounting of computer p-4 was given. In 02.03.2006 computer p-4 was given to use by act. Computer P-4 was posted in original value - 691000 sums. Depreciation rate was 20 percent. In 01.01.2007 the computer p-4 was revaluated with the coefficient 1.1.

Original cost: $691000 \times 1.1 = 760100$ (sum)

Accrued depreciation: $115169 \times 1.1 = 126686$ (sum)

Table 2.3.1

Analysis of composition, content and dynamic changes of the fixed assets of "Yermulkkadastr" State Unitary enterprise. (In thousand sums.)

	2011 year	2012 year	Changes (+,-)
The fixed assets' content			

	Amount	Share %	Amount	Share %	In thous. sum	Share %
1	2	3	4	5	6	7
1. Land	-	-	-	-	-	-
2. Building	22249	18,2	22249	14,9	-	3,3
3. Construction	-	-	-	-	-	-
4. Current assets	-	-	-	-	-	-
5.Means of transport	29029	23,8	29029	19,5	-	4,3
6. Computer science and computer facilities	44701	36,5	63636	42,8	+18935	+6,3
7. Production equipment	2038	1,7	2038	1,4	-	0,3
8. Machine	20158	16,5	20158	13,6	-	2,9
9.Household equipment	-	-	-	-	-	-
10. Equipment	-	-	-	-	-	-
11.Other fixed assets	4013	3,3	11393	7,8	+7380	+4,5
Total fixed assets	122188	100,0	148503	100,0	+26315	-

During studying of the fixed assets, at the same time, you can estimate changes in dynamics.

When analyzing the dynamics of the basic means we understand changes over several years and periods. On the basis of fixed assets of organization absolute and relative changes can be given. Using the table above, you can give the group analysis, composition, and changes in the dynamics of the basic means of “Yermulkkadastr” State Unitary enterprise.

On the basis of the tables analyzed by the State Unitary enterprise "Yermulkkadastr", in the current period compared to last year's total assets, increased to 26315 thousands of sums. This company has the largest share of the building, vehicles, and computer equipment and computer facilities. These fixed assets are 77, 2% of the total primary funds. This year, the cost of computers and computer equipment increased to 18935 thousands sums. In 2012 other fixed assets have increased rapidly, and this was 11393 thousand sums. This indicator, compared with 2011, tripled. At the same time, the value of all fixed assets increased by 26315 thousands sums and in 2012 it was 148503 thousand sums.

The increase of computers and computer technology in the enterprise shows service improvement. In General, it was clear that the company’s fixed assets had changes in the dynamics. And it shows the arrival of the new fixed asset.

Below follows an analysis of the fixed assets in the State Unitary enterprise “Yermulkkadastr” according to balance sheet data.

Table 2.3.2.

Analysis of the fixed assets in the State unitary enterprise “Yermulkkadastr” according to the balance sheet (2010-2012) (Amounts in thousands sums).

№	Rates	2010 y	2011 y	2012 y	The difference (2012 compared to 2010 year.)	
					Sum	Comparison of fixed assets
	Fixed assets					
1.	Original cost (0100,0300)	104347	122188	148503	+ 44156	1,4 times
2.	The amount of depreciation (0200)	65797	82228	96453	+30656	1,5 times
3.	Residual value (book)	38550	39960	52050	+13500	1,3 times

As seen in table 2.3.2, the difference between fixed assets in years is positive. Because in 2012 fixed assets compared with the 2010 increased by 3 times, and made up 52050 thousand sums. In the year 2012 total non-current assets amounted to 59925 thousand sums. As we can see, the fixed assets make up a large share, id est 86.8% from all long-term assets.

Table 2.3.3.

Analysis of the fixed assets in the State unitary enterprise "Yermulkkadastr" (amounts in thousands sums).

Fixes assets	Original cost	The amount of depreciation	Residual value	The level of wear and tear, 3/2*100, %	Status level, 4/2*100, %
1.	2.	3.	4.	5.	6.
2010	104347	65797	38550	63,1	36,9
2011	122188	82228	39960	67,3	32,7
2012	148503	96453	52050	64,9	35,1
The difference (2012 compared to 2010) (+/-)	+44156	+30656	+13500	1,8	1,8

In the analysis of fixed assets of the State Unitary enterprise “Yermulkkadastr”, we can see the following changes during 2010 - 2011. If in 2010 wear level was 63.1 % and status level was 36.9 %, but in 2012 these indicators were 64.9 % and 35.1 %. The level of wear in 2012 compared to 2010 was increased by 1.8 %. The company is charged on all fixed assets depreciation straight-line method. Straight-line depreciation is the simplest and most often used method. In other words the straight-line method is the most common method. This method of depreciation (or amortization) divides the value of the asset over the useful life of the asset. These results in equal write down amounts over the useful life of the asset.

Note that in addition to annual depreciation’s being the same each year, the accumulated depreciation increases uniformly and the carrying value decreases uniformly until it reaches the estimated residual value.

In this method, the company estimates the salvage value of the asset at the end of the period during which it will be used to generate revenues (useful life). In other words, one concept views a fixed asset as providing its services in a level stream. That is, the service provided (benefit received) is equal in each year of the asset’s life. The Company will then charge the same amount to depreciation each year over that period, until the value shown for the asset has reduced from the original cost to the salvage value. In this way the cost of depreciation is deducted on the object evenly throughout the period of the use of fixed assets.

In the table 2.3.4 the amount of the deducted depreciation of fixed assets of the enterprises is shown. This amount depends on some factors, such as the original cost and the restoration cost. As the State Unitary enterprise “Yermulkkadastr” charges depreciation on all fixed assets in the straight-line method, amounts in each quarter is equal.

There are many rules as to what types of depreciation methods are used depending on numerous factors.

The amount of the deducted depreciation of fixed assets of the State Unitary enterprise “Yermulkkadastr”. (2012-2013)

Table 2.3.4.

№	Fixed assets	Year	Quantity	Original cost	The cost of the restoration	The cost of wear and tear in 01.01.2012	1-q	2-q	3-q	4-q	For the year	Wear on January 1, 2013
	Account № 0120											
1.	Building	1963	1	14077883	22249475	13576688	278118	278118	278118	278118	1112472	14689162
	Account № 0130											
1.	Theodolite	1986	1	278649	336932	336932	-	-	-	-	-	336932
2.	Geodetic level		1	101700	122950	122950	-	-	-	-	-	122950
3.	tachometer	2008	1	13500000	19697790	10587549	738666	738666	738666	738666	2954664	13542213
	Account № 0140											
1.	The desk Guide.	2009	1	1000000	1186006	429921	44475	44475	44475	44475	177900	607822
2.	Bookcase	2009	1	450000	533702	193483	20013	20013	20013	20013	80052	273538
3.	Desk	2009	2	95963	112574	36573	4221	4221	4221	4221	16884	53459
4.	Bookcase	2009	1	56445	66216	21532	2484	2484	2484	2484	9936	31464
	Account № 0150											
1.	Computer P-4	2008	1	1350000	1350000	1084730	67500	67500	67500	62770	265270	1350000
2.	Computer P-4	2007	1	885000	885000	781750	44250	44250	14750	-	103250	885000
3.	LCD monitor 17	2009	1	244788	244788	106080	12240	12240	12240	12240	48960	155040
4.	Processor Intel p-2D	2009	1	565871	565871	245206	28293	28293	28293	28293	113172	358378
5.	Laptop	2011	1	2700000	2700000	135000	135000	135000	135000	135000	540000	675000
6.	Camera Canon	2012(5)	1	500000	500000	-	-	8333	24999	24999	58331	58331
7.	Computer AB-TECH	2012(8)	2	2900000	2900000	-	-	-	48333	144999	193332	193332
8.	Samsung Copier 3 × 1	2012(12)	1	800000	800000	-	-	-	-	-	-	0

	Account № 0160											
1.	Damas 40 272 EAA	2003	1	7616047	13509938	13509938	-	-	-	-	-	13509938
2.	Nexia 40 282 EAA	2003	1	9706600	15518796	7433357	775941	775941	775941	775941	3103764	10537116
	Account № 0190											
1.	Air conditioner	2005	1	660000	1021638	1021638	-	-	-	-	-	1021638
2.	Air conditioner	2009	1	870000	1121741	542178	56088	56088	56088	56088	224352	766526.2
3.	Television Sharp 222	2012(9)	1	880000	880000	-	-	-	-	4401	4401	4401
4.	Air ConditionerCHIGO	2012(12)	1	1650000	1650000	-	-	-	-	-	-	-

Now consider the depreciation calculated on a single object.

The company bought a laptop with original value 2700000 sums in 01.10.2011. Resale value is not defined in the regulations; the annual depreciation rate is 20 per cent. That's why the computer is to be used 5 years.

$$2700000: 5 = 540000 \text{ (sum)}$$

As we can see, the annual depreciation is 540000 sums. As this computer was posted in the fourth quarter of 2011, the depreciation rate for this period amounted to 135000 sums. For subsequent periods of depreciation calculation on the laptop is in the following order.

Table 2.3.5.

The table of fixed assets' (laptop) calculated depreciation in straight-line method in the State unitary enterprise "Yermulkkadastr"

The cost of fixed asset	Depreciation norm	Amount of depreciation	Residual value
2 700 000	20	135000	2565000
2 700 000	20	540000	2025000
2 700 000	20	540000	1485000
2 700 000	20	540000	945000
2 700 000	20	540000	405000
2 700 000	20	405000	405000

For the amount of deducted depreciation the following accounting transactions are given. During 2012 for each fixed asset the following accounting transaction has been given (for each fixed asset's annual depreciation).

1. **Debit** 2010 **Credit** 0220 1112472 (sum)
2. **Debit** 2010 **Credit** 0230 2954664 (sum)
3. **Debit** 2010 **Credit** 0240 305772 (sum)
4. **Debit** 2010 **Credit** 0250 5866628 (sum)

Each year on 1 January the value of fixed assets is revalued with the indexing, set by the State. These indexes are available to enterprises and organizations by the State as a method of revaluation of fixed assets.

Table 2.3.6.

Indices of revaluation of the cost of fixed assets, equipment designed for installation and objects that are not completed in construction, for January 1, 2013
(by periods of their acquisition, manufacturing, construction)

Groups of fixed assets	till 1990 inclusive	1991 – 2002	2003 – 2010	2011	2012			
					I q.	II q.	III q.	IV q.
1 Production and non-production building (10000 – 10018)								
Group R-1	1,008	1,064	1,097	1,120	1,101	1,058	1,035	1,015
Group R -2	1,000	1,053	1,086	1,108	1,090	1,047	1,024	1,004
Group R -3	1,000	1,042	1,075	1,097	1,079	1,037	1,014	1,000
Group R -4	1,000	1,032	1,065	1,086	1,069	1,027	1,004	1,000
Group R -5	1,000	1,022	1,054	1,076	1,058	1,016	1,000	1,000
2. Constructions (20000 – 20382)								
Group R -1	1,008	1,064	1,097	1,120	1,101	1,058	1,035	1,015
Group R -2	1,000	1,053	1,086	1,108	1,090	1,047	1,024	1,004
Group R -3	1,000	1,042	1,075	1,097	1,079	1,037	1,014	1,000
Group R -4	1,000	1,032	1,065	1,086	1,069	1,027	1,004	1,000
Group R -5	1,000	1,022	1,054	1,076	1,058	1,016	1,000	1,000
3. Transfer device (30000 – 30124)	1,033	1,091	1,125	1,148	1,122	1,065	1,039	1,014
4. Machinery and equipment								
4.1. Power machines and equipment (40000 – 40719)	1,018	1,074	1,108	1,131	1,124	1,087	1,031	1,011
4.2. Working machinery and equipment (41000 – 46119)	1,018	1,074	1,108	1,131	1,124	1,087	1,031	1,011
4.3. Measuring and regulatory instruments and devices (47000 – 47066)	1,018	1,074	1,108	1,131	1,124	1,087	1,031	1,011
4.4. Computer facilities (48000 – 48010)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
4.5. Other machinery and equipment (49000 – 49303)	1,018	1,074	1,108	1,131	1,124	1,087	1,031	1,011
5. Means of transport (50000 – 50709)								
Passenger car	1,057	1,116	1,151	1,174	1,170	1,118	1,030	1,014
Cars and other vehicles	1,022	1,079	1,113	1,136	1,129	1,091	1,036	1,013
6. Tools (60000 – 60002)	1,000	1,052	1,085	1,107	1,101	1,072	1,035	1,016

7. Production and household inventory, without furniture (70000 – 70002, 70005 – 70012)	1,000	1,052	1,085	1,107	1,101	1,072	1,035	1,016
8. Furniture (70003 – 70004)	1,031	1,089	1,123	1,146	1,142	1,104	1,044	1,024
9. Working and productive livestock (80000)	1,000	1,000	1,109	1,168	1,173	1,165	1,144	1,084
10. Perennial plantations (90000 – 90021)	1,000	1,034	1,066	1,088	1,079	1,056	1,040	1,023
11. Library funds	1,000	1,034	1,067	1,089	1,074	1,041	1,024	1,009
12. Other fixed assets	1,000	1,052	1,086	1,108	1,095	1,062	1,038	1,018
13. Objects, unaccomplished	1,013	1,070	1,103	1,126	1,112	1,071	1,035	1,014
14. Not installed tools	1,022	1,079	1,113	1,136	1,129	1,091	1,036	1,013

Groups of regions:

Group r-1 – Tashkent

Group r-2 – Tashkent, Fergana and Kashkadarya region

Group r-3 – Andizhan, Bukhara, Navoi, Samarkand region

Group r-4 – Namangan, Surkhandarya, Khorezm region R-Group 5-Republic of Karakalpakstan, the Tashkent city, Syrdarya region

We consider a revaluation of fixed assets on 1 January 2013, with the table “indexing of revaluation” given above. With the restoration cost of fixed assets, the cost of calculated amortization also must be revaluated. Except computer facilities all fixed assets can be revaluated. Because computer facilities considered as an asset which should renewed more rapidly in comparison with other fixed assets. Also we should pay attention that some production and non-production buildings and constructions which was built till 1990s, do not revaluate. Also this rule belongs to the tools, production and household inventory (without furniture), working and productive livestock, perennial plantations, library funds, and other fixed assets. But the rest fixed assets despite of their date of construction should be revaluated. For example, passenger cars, furniture, machinery and etc.

Table 2.3.7.

Revaluation of fixed assets in the State Unitary enterprise "Yermulkkadastr" for the January 1, 2013.

№	Fixed assets	Year	Quantity	Original cost	The cost of the restoration	The cost of wear on 01.01.2012	Wear on January 1, 2013	Coefficient.	The Cost after revaluation	The cost of wear after revaluation
	Account № 0120									
1.	Building	1963	1	14077883	22249475	13576688	14689162	1,00	22249475	14689162
	Account № 0130									
1.	Theodolite	1986	1	278649	336932	336932	336932	1,018	342997	342997
2.	Geodetic level		1	101700	122950	122950	122950	1,018	125163	125163
3.	Tachometer	2008	1	13500000	19697790	10587549	13542213	1,108	21825151	15004772
	Account № 0140									
1.	The desk Guide.	2009	1	1000000	1186006	429921	607822	1,23	1331885	682583
2.	Bookcase	2009	1	450000	533702	193483	273538	1,23	599347	307180
3.	Desk	2009	2	95963	112574	36573	53459	1,23	126421	60032
4.	Bookcase	2009	1	56445	66216	21532	31464	1,23	74361	35339
	Account № 0150									
1.	Computer P-4	2008	1	1350000	1350000	1084730	1350000	1,00	1350000	1350000
2.	Computer P-4	2007	1	885000	885000	781750	885000	1,00	885000	885000
3.	LCD monitor 17	2009	1	244788	244788	106080	155040	1,00	244788	155040
4.	Processor Intel p-2D	2009	1	565871	565871	245206	358378	1,00	565871	358378
5.	Laptop	2011	1	2700000	2700000	135000	675000	1,00	2700000	675000
6.	Camera Canon	2012(5)	1	500000	500000	-	58331	1,00	500000	58331
7.	Computer AB-TECH	2012(8)	2	2900000	2900000	-	193332	1,00	2900000	193332
8.	Samsung Copier 3 × 1	2012(12)	1	800000	800000	-	0	1,00	800000	0
	Account № 0160									

1.	Damas 40 272 EAA	2003	1	7616047	13509938	13509938	13509938	1,151	15549939	15549939
2.	Nexia 40 282 EAA	2003	1	9706600	15518796	7433357	10537121	1,151	17862134	12128226
	Account № 0190									
1.	Air conditioner	2005	1	660000	1021638	1021638	1021638	1,085	1108477	1108477
2.	Air conditioner	2009	1	870000	1121741	542178	766526.2	1,085	1217089	831685
3.	Television Sharp 222	2012(9)	1	880000	880000	-	4401	1,035	910800	455441
4.	Air ConditionerCHIGO	2012(12)	1	1650000	1650000	-	-	1,016	1676400	0

Consider the calculation of revaluation on single object.

Motor car Nexia 40282 EAA was purchased in 2003, and was posted to the account-0160 "transport vehicles". The original cost of the car amounted 9706600 sums, and replacement cost - 15518796. As Fergana region is the second group of the region and, taking into consideration the year of purchasing the car, the cost of the vehicles and the accrued wear and tear is multiplied to coefficient - 1.151.

1. Replacement cost – 15518796 sum:

$$15518796 \times 1.151 = 17862134 \text{ (sum)}$$

2. The amount of accumulated depreciation on January 1, 2013 amounted to 10537121 sums:

$$10537121 \times 1.151 = 12128226 \text{ (sums)}$$

On the calculations above, we make the following accounting transactions.

For the replacement cost of the car:

1. Debit	0160	Credit	8510	2343338 (sum)
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For the revaluated cost of wear of the car:

2. Debit	8510	Credit	0260	1591105 (sum)
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If you analyze the transactions above, the value of the vehicle has been increased. On differences between replacement and revaluated amount the following accounting transaction is given.

In the overall analysis of fixed assets in the State Unitary enterprise "Yermulkkadastr", fulfilled operations on posting, on calculating fixed assets' depreciation, on revaluating and write-offs of fixed assets. If you look at the composition of the fixed funds, the large proportion falls to computing machinery, because computing machinery is used in the assessment and measurement of the movable and immovable objects.

4. PROBLEMS OF CALCULATING DEPRECIATION FOR FIXED ASSETS

4.1. Discussion questions of accounting depreciation and amortization of fixed assets

Depreciation is the periodic allocation of the cost of a tangible asset (other than land and natural resources) over the asset's estimated useful life. In accounting for depreciation, it is important to keep the following points in mind:

All tangible assets except land have a limited useful life, and the costs of these assets must be distributed as expenses over the years they benefit.

In accounting terms, amortization and depreciation both refer to the devaluation of assets overtime. As an asset loses its value, the loss in value is charged as an expense. The offsetting reciprocal journal entry to the expense is a decrease in the actual assets value. The main purpose for devaluating assets is to create a reduction in the tax liability by reducing net income.

Depreciation is a traditional subject of accounting. Despite this, the accountants' issues are:

- How to choose the best method of depreciation of assets?
- How to calculate the amount of fixed assets to be amortized, in particular after the reconstruction, modernization or revaluation of fixed assets?

Most of the items under the influence of various factors (natural, economic, etc.) worn out mentally and physically. Wear is the loss of original properties. Investigation of depreciation -reducing value of fixed assets. Therefore, to properly plan the replacement of old assets to new ones, you must set the real degree of wear and tear. Source of repayment of funds spent on the acquisition, manufacture, construction of property, plant and equipment, is the revenue from the sale of products and goods, as well as the income associated with the implementation of works and provision of services. Therefore, the organization should provide reimbursement of expenses on the purchase of fixed assets' formation costs of their

products or carried out works (services). Realization of this task is a mechanism of calculating depreciation on fixed assets. Amortization is the process of gradually moving the cost of fixed assets by using the product for a long useful life of the asset. Some problems of depreciation of fixed assets in real economic activities should:

- 1) Calculate depreciation for a given period of time;
- 2) Review depreciation rates based on new maintenance periods and liquidation value of fixed assets;
- 3) Develop new practical provisions while calculating depreciation on worthless subjects;
- 4) Determine group of objects for depreciation;
- 5) Apply the methods of accelerated depreciation for tax purposes.

Calculation of depreciation for a period of time.

In practice, firms rarely purchase fixed assets precisely at the beginning or at the end of the reporting period. In most cases, they acquire them when needed, and sell or write off when they become ineffective. So the season is not the decisive factor for the purchase or sale. Distinguish the concepts of depreciation of fixed assets and separate motion reflected depreciation and amortization is treated and regarded by most economists as one of the merits of accounting. We fully agree with that assessment. Some specialists have denied him in complete objectivity, or generally considered unacceptable. So, S.R. Korokin said that the believes about separation of depreciation and amortization of fixed assets in the plan, is not consistent with the theory.³ He did not say what the difference of practice and theory is. His position remains unclear.

A famous teaching in the areas of accounting and economic analysis was conducted by V.F. Paliy. In several of his works he proves that separation of depreciation of fixed assets and depreciation on two different accounts is not economically justified, as the loss of the value of the fixed asset that fixes the wear

³ Коркин С.К. Кругооборот фондов в социалистическом воспроизводстве. – Издательство Казанского университета, 1990, с.85.

and tear of fixed assets only occurs with the accumulation of the amortization fund. This single process must take into account wear and tear (depreciation) of fixed assets.⁴ Corresponding should bring accounting or financial results of business operations. This is counteractive to estimated score of resisting fixed assets account.

It should be noted that depreciation and amortization are interrelated concepts, but to identify and combine them in a single category of economy is wrong. It is useful to recall here the words of academician S. Strumilin, written in the famous work "to restructure the balance sheet" has a different meaning, which is depreciation fund should not be confused with amortization. Real financial asset or commodity coverage backed to restore worn-out tools. Depreciation and Recovery Fund do not duplicate, but rather complement each other. This position is shared by most economists. She was supported by a number of specialists and scientists – by proposals of V.F. Paliy.

Professor V.K. Radostovets endorses proposal of V. Paliy to abandon depreciation of fixed assets. It's not clear, what was the base to this idea of the author V. Paliy, V.K. Radostovets afterwards outlines his thoughts: "with increasing autonomy of enterprises, upgrading of operational analysis makes no sense at all to have to depreciation of fixed assets". Depreciation of fixed assets for the enterprise as a whole, almost for any purpose not necessary, apart from the need to know the degree of wear of fixed assets by industry. It is known that specific basis of fixed assets' depreciation at any time can be determined by calculation and, if necessary, for the enterprise as a whole.⁵ And how to be in balance with legislation of binding companies which reflects the balance of fixed assets in real value? It is not simple, because in all countries enterprises calculate and take into account the depreciation of fixed assets.

⁴ Палий В.Ф. Самофинансирование: некоторые вопросы бухгалтерского учета. 1988, №12, с.43.

⁵Радостовец В.К. План Счетов: необходимы перемены. Бухгалтерский учет, 1990, №2, с.5.

Hardly lawful to take into consideration one account movement of the depreciation and amortization of fixed assets. Here are our counter-arguments.

Firstly, it is true, of course, that at the same time, parallel accounting reflects the depreciation and amortization of capital allocation. But in reality, the loss of means and its labor cost due to obsolescence in the production process or treatment or accumulation (subsidence) money, in a shock-absorbent equity in different times occur at a different stages of capital stock circulation.

Secondly, we must not forget that many enterprises value depreciation and amortization had initially (at time of assessment or additions), are not the same. So, for living buildings allocated to conservation, depreciation and amortization are not calculated. And vice versa. Objects of the passive part of the fixed assets continuing functioning even after the expiration of the statutory period of service contribute to amortization capital but are not depreciated.

Further, not completed construction or not formalized with acts of acquisition of the objects which actually operated by enterprises as means of labor, amortization is calculated for the period of their validity, depreciation - after transfer of these objects in the composition of the equity capital of the enterprise.

Thus, the discrepancy between the amount of depreciation and amortization is inevitable, you might say - programmed.

In the third place. Depreciation funds are used to finance capital investments, but in businesses, based on State ownership they may still be redistributed within the Department or even the industry.

And, finally, in the fourth. In addition to these reasons for discrepancy between the values of the depreciation and amortization, the differences between them are cause by several operations that affect to just depreciation of fixed assets, or capital of amortization. For example, the first includes acquisition in the economy of partly depreciated objects, dropout of (including liquidation) formerly used tools of work, posting of unaccounted objects, found in inventory. It is clear that these operations have no effect on the amount of capital amortization. Regarding to the operations, causing to the change of the capital of amortization,

but to their list, except of those listed in the previous paragraph, the replenishment of authorized capital of enterprise can be included, in the order of the redistribution of funds between enterprises.

These circumstances make it impossible “coexistence” of depreciation and amortization on one account.

V.F. Paliy correctly notes following: “The distribution of the fund of amortization, this deduction cannot counted on one account, like the depreciation of fixed assets”.⁶ What he recommend as the conclusion of this situation? To enter new active account “deduction of amortization”, on which the debit record spending of the fund of amortization according to the purpose. Entries in the accounts look like this:

1) Deductions of assets to the fund of amortization:

Debit accounts of production costs or treatment

Credit accounts: “Depreciation of fixed assets”.

2) Use of assets’ amortization fund:

Debit account: “Deduction of amortization”

Credit accounts: “Fund of economic stimulation”

Credit account: “Internal calculations” and others.

The balances of the “Depreciation of fixed assets” and “Depreciation deductions” show in the first section of the asset and liability’s balance. According to V. Paliy, the balances of these accounts are always balanced.

A close acquaintance with the inventory in the accounts recommended the “Depreciation of fixed assets”, “Depreciation charges” and “Changes in balance” lead to such conclusions.

1. Account of “Depreciation of fixed assets” only performs the role of regulating counter-active account to account the “Fixed assets”; According to its purpose, structure and information capacity it does not differ from the account of “Amortization of fixed assets”. Their identity is obvious.

⁶ Палий В.Ф. Хозрасчетный доход в самофинансирование: вопросы учета и анализа. – М.: Финансы и статистика, 1990, с.117.

2. The nature of the accounts are not entirely clear, “Deduction of depreciation”, the content of the records on its credit and the value of debit balance. I think that he is governing counter-passive account “Share capital”. It is understandable that seized in the order of redistribution or financing of capital investment funds in the absence of depreciation account “Amortization capital” is the source of these funds – can be described only in a reduction of the Charter capital. There was no other alternative.

3. the results of the active and passive balance sheet items – “Fixed assets”, “deduction of amortization”, “share capital” (as part of fixed assets) and “depreciation of fixed assets” - artificially balanced; the credit balance of the account “depreciation of fixed assets” were added to the account of “reserve capital”.

What solution to the problem do we have, if, of course, defend the right to general existence of accounts of “depreciation of fixed assets”?

Decision is seen in moving to our system pragmatic principles of depreciation in enterprises, in refusing to reflect on one account movement and depreciation, in excluding from the lexicon of accounting “Amortization capital” and an account “Amortization capital”. This account is debited in correspondence with the accounts of production costs or circulation for the amount to be amortized according to the complete restoration of the fixed asset and in correspondence to the credit and debit account “primary funds” on the original (replacement) value of disposed fixed assets.

Another interesting issue is:

V.F. Paliy in his monograph, citing the work of A.F. Muhin “accounting in the United States industry”, writes that the United States enterprises accounting depreciation and amortization capital assets fund that in American literature is referred to as a reserve for depreciation, are essentially on the same account and reflected in one note. At the end of the year, closing entries are under the scheme:

Debit account “depreciation” Credit account “reserve for depreciation”;

Debit account “profit and loss”, credit account “depreciation”.

The last account is operational, without balance. The account “reserve for depreciation” is a counter - account to control active account “fixed capital” and “reserve for depreciation” is not closed. Its balance is increasing from year to year as a result of more depreciation.⁷

Alexander Mukhin draws attention to the fact that the assets are at a primary cost. Records of each group include objects systemized in a separate account. In terms of groups accounts are opened to reflect depreciation, for example, through the “reserve for depreciation of buildings”, “resource for the depreciation of machinery”, and others. The amount of annual depreciation buildings makes the final entry: debit account “Depreciation of buildings”, credit account “reserve for depreciation of the buildings”. Account “depreciation of buildings” closed and its debit balance is transferred into account of “profit and loss” account: debit account “profit and loss” credit account “depreciation of the building”. The account “reserve for depreciation of buildings” and “reserve for depreciation of machines” are not closed: they act as regulating counter active accounts to property accounts.

The reader, who is not aware of sphere accounting in capitalist countries, might have the false impression that the consumption of fixed capital is not included in the cost of production, and is covered by earnings. In fact it is not. In foreign practice, as a rule, accounting is divided into two parts: financial (common) and operational. The operational accounting organizes cost accounting by cost centers, places of responsibility, calculate the cost of the product, and identify the financial results in a profile of sold products, held analytical accounting of movement of raw materials and ready products. On the account “profit and loss” the financial results reflected in a full-scale, without balance, in a gross method. On credit account, the gross proceeds, realized production and other income are shown, and to debit, the cost of the commercial structure for groups of articles are shown, for example, the cost of raw materials; wages for the personnel; depreciation (wear and tear) of the equity capital; trade expenses; common costs;

⁷ Палий В.Ф. Хозрасчетный доход в самофинансирование: вопросы учета и анализа. – М.: Финансы и статистика, 1990, с.111-112.

administrative costs. All this causes other construction and methodology of accounting, than applied in our country, which makes complicated the system of records and the closure procedure.

It should be noted that in the work on accounting in capitalist enterprises, accounts, on which the depreciation of fixed assets grouped, are called differently. The differences were due to the fact that the authors follow a practice of accounting for the different capitalist enterprises (firms, companies, corporations) in different countries.

Here are the most common schema notes in depreciation of fixed assets.

In financial accounting. Debit account “deduction of amortization”, Credit accounts for depreciation of certain objects or types (for example, “Depreciation of buildings”, “Depreciation of equipment”).

In the operational accounting. Debit accounts of “production costs”, Credit account “depreciation”.

Professor V.A. Erofeeva and O.L. Ostrovskaya consider wrong in modern terms, that in accounting the recording of depreciation and amortization fund are equated. They offer to reflect the depreciation charge on the credit account “amortization fund” in correspondence with the accounts of production costs, and formation of fund as funds become available for the sold goods - on credit of sub-account to account “amortization fund” in correspondence with the sub-account “full recovery”.⁸

The authors’ suggestions are theoretically perfect. But its implementation would meet the difficulty, and will be expensive.

In order to determine the amount of depreciation, embodied in the revenue from sales of products, will require extremely complex and laborious calculations. Such identification is possible, if the depreciation for each type of sold goods will be calculated the amount of amortization as an item of expenses. These

⁸ Ерофеева В.А., Островская О.Л. Бухгалтерский учет и управление финансовыми ресурсами. Бухгалтерский учет, 1990, №2, с.40-41.

calculations should be done for each month, as fluctuations (variance by month) of numeric indication can be significant.

4.2. Methodological principles of accounting for amortization and depreciation of fixed assets

The current methodology for accounting of amortization and depreciation of fixed assets is not entirely consistent with the theoretical terms.

Accounting for depreciation and amortization of fixed assets should be, in our view, built on the following methodological principles acceptable to accounting practice.

1. Depreciation of fixed assets needs the simultaneous increase of the same value of depreciation of capital.

This requirement is dictated by the logic of economic phenomena. Amortization is the partial loss of consumer value and value of labor in the production process, stored in value (in practice management – cost price) of the product, must be amortized, should be refunded with money in the second stage of circulation. It leads to following chain: amortization of such chain is compensated with money retrieved from the sphere of circulation and reserved in amortization capital.

Compensation may be in such form and in other less traditional forms, let's say, from the income or profits of the enterprise. Depreciation, unless it is accompanied by amortization, in essence hidden loss or deduction of means, which enterprise possesses if it operates on the principles of economic calculation. Sooner or later hidden will be clear.

2. Depreciation and amortization produces over normative service life of fixed assets, that is, until it is paid off their original or replacement cost.

If the inventory object, on which this deadline expired, continues to function as a means of labor in production or treatment, then it will stop the depreciation and amortization regardless of what part of the fixed assets – active or passive –

belongs to this object. This excludes the possibility of so called excess amortization and depreciation and surplus respectively.

3. Movement on account of amortization on the counter-active account “Depreciation of fixed assets”. Amortization is one of material elements of cost of production (works, services) and the circulation of goods. The material includes the cost occurring in consumption of the means of production. Deduction of depreciation is reflected on credit account in correspondence with the accounts of production costs or circulation of final financial results, capital reserves, which compensates amortization.

What are our arguments in proof of the feasibility of the proposed? The amortization of fixed assets accounting was under discussion in the past and now as well. Many economists (N. Leontiev, Igor Malyshev, and A.S. Margulies) advised on the amount of depreciation to debit the account production cost in correspondence with the credit accounts "depreciation of fixed assets" and depreciation expenses to refer to debit account of “authorized capital” and credit account of “Amortization capital”. They considered records adequate to economic nature of counted events.⁹

Without going into details, we will express our opinion. The aim of depreciation’s records is to reflect the transfer of part of the fixed assets’ cost to the producing products. So, this formula is obviously:

Debit account of production costs – moving the cost of fixed assets on product.

Credit account “Fixed assets” – reducing of the cost of functioning assets.

However, these records allow many inconveniences. Therefore, it is wise to replace an account “Fixed assets” by its adjusting account “depreciation of fixed assets”. Otherwise we would have to take into account movement of fixed assets in the monthly changing assessment – residual value – and from this value calculate the depreciation and amortization.

⁹ Щенков С.А. Система счетов и бухгалтерский баланс предприятия. – М.: Финансы, 1973, с.52.

Professor V.I. Mosyagin supposes that share capital fund must not reduce by the amount of depreciation, but the cost of fixed assets must be reduced. The author appreciates the efficiency of its proposal. He writes: “Deducting of depreciation while fixed assets’ normative service life and accounting their depreciated value, in our view, would give a clear view of the equipment’s condition, and the level of wear.”¹⁰ Question: How V.I. Mosyagin can determine the level of equipment’s wear in the absence of information about its original or replacement cost? One more argument against such as unusual proposal of V.I. Mosyagin: nor in one foreign country fixed assets do not estimated at the residual value in the current accounting.

S.K. Korokin recommends reflecting depreciation and amortization’s record, on the stage of production with this accounting transaction:

Debit account “Main production”

Credit account “Fixed assets”.¹¹

4. Account “Depreciation of fixed assets” is used by enterprises, which shows the balance of account “Fixed assets” in their balance sheet.

5. Account “Depreciation of fixed assets” shall not enter into correspondence with an account “Authorized capital.

The write-off of fixed assets which was involved in the production process or treatment, depreciation (the cost of the worn parts) is credited or debited to the account of “Depreciation of fixed assets” in correspondence with the account “Fixed assets”. This principle is adhered to consumer cooperatives for many decades. It was checked in accounting practice.

6. Fixed assets shown in the balance sheet at the residual value. The balance sheet gives data about depreciation, for the reference purposes.

7. Automation of analytical account of a synthetic account of “Depreciation of fixed assets” will provide with the information not only about the movement of

¹⁰ Мосягин В.И. Нерешенные вопросы бухгалтерского учета. Бухгалтерский учет, 1989, №10, с.28

¹¹ Коркин С.К. Кругооборот фондов в социалистическом воспроизводстве. – Издательство Казанского университета, 1990, с.85.

each object's depreciation individually, but also with the whole data on groups, subgroups, and forms of means.

Then you will be able to determine the degree of depreciation of each inventory item, follow the expiry of the normative period of its service life, in time stop further calculations of depreciation and amortization, promptly and appropriately solve a number of technical and economic challenges without special calculations. Analytical accounting of depreciation needs to combine with an analytical accounting of fixed assets – in the same registers (inventory cards). This combination will facilitate integrating, save time and money on machining information.

8. Delivered or received fixed assets in rent, take into account on balance account “Fixed assets” or on account “Rented fixed assets” by landlords or tenants (including the leasing company) on full cost, estimated by the Commission with the representative participants of the parties who have signed the lease agreement. The landlord reflects on the current account the difference between the old and the new full cost of leased fixed assets, established by the Commission.

The actual amount of depreciation of fixed assets, established by the Commission on the day of their transfer to rent, is reflected by the lessor or leased enterprise on account of “Depreciation of fixed assets“. Landlord corrects the balance of this account according to the difference between amounts of the actual depreciation and amount which must be listed on account data.

9. The movement of funds of the depreciation capital takes into account on “Amortization capital”.

Amortization charges reflect on credit account in correspondence with the debit account “authorized capital”. Also on credit account of “Amortization capital” fix records on the arrival of means to renewing amortization capital in order to redistribution. On the debit account makes record of sending these funds to financing capital investments, and transfers to higher organizations.

S.K. Korkin in his monograph selects a number of operations with the main permanent funds. Thus, he considered, the accumulation of fund will affect to the

debit account “Fund of amortization” and the credit account “Realization”, and the use of depreciation for the capital investments – debit account “capital investments” and credit account “Fund of amortization”. The first record will bring to the reducing of amortization fund and to increasing profits from sales of the products. And the second record will bring to the simultaneously increasing of the capital investment and the fund of amortization. This issue attests that S.K. Korkin is economist incompetence in the accounting field.¹²

10. Capital of amortization is one of the sources of capital investment.

The enterprise, extracting these facilities from the field of treatment, has the right to withdraw them from the total mass of circulating assets by depositing Bank to a special account. These facilities remain in “not active condition”, until you need to use them – use for its intended purpose.

11. When fixed assets write-off before the expiration of the service period, the cost of which, consequently, is not fully repaid with the amount of depreciation deductions, are counted on the debit account “Profits and losses” and on the credit account “Depreciation of fixed assets”.

At the same time, the same amount, debited on account “Authorized capital” and credited on account “Capital of amortization“. If the company uses the “liquidation of fixed assets” instead of account “Depreciation of fixed assets” will be made account “Elimination of fixed assets“.

The reasons not to indemnifying of the cost of fixed assets by the depreciation deductions can be various. Shall count some of them: accelerated physical deterioration due to natural factors and aggressive environment, intensive obsolescence, the difference between the measure of wear of the norms, and individual situation in real-world conditions of work at a particular company. It is obvious that under the influence of these and other factors over the life of the fixed assets, the production costs included material expenses, turned out to be less real. Hence the taxable profit on the sale of products during the actual service life of

¹² Коркин С.К. Кругооборот фондов в социалистическом воспроизводстве. – Издательство Казанского университета, 1990, с.85.

fixed assets had been overstated. The value of fixed assets which didn't charged should be recovered from the total current profit, but not from the profit which left on the dictation of the enterprise.

S.I. Shulman was right, by considering that the assets were not involved in the process of creating a new product, do not carry their value to them; Therefore, depreciation charges thereon shall not be included in the production cost. The author recommends a residual value of prematurely liquidated fixed assets due to obsolescence, firstly reflect on the account "expenses for the future periods" and then over the years, as the expiration of the period of amortization of liquidated objects uniformly write off as losses on business outcomes.¹³ Economically justified such as recommendation?

Next, the description of the real loss, "transformed" in expenses of the future years, that is, disguised under the type of circulating assets, stretches into many years, taking on the financial situation of the company. We're not talking about that calculation of annual quota (monthly) which makes accounting complicated.

12. It is difficult to arrange individual account of depreciation of each inventory object in the current level of automation of computer operations at the enterprises. The depreciation amount for each item calculates only if they transferred, sold or write-off. Reliable information about unnecessarily assessed depreciation is absent. Therefore, when describing the liquidating inventory objects, functioning at work and after the end of the expected period of service, for the unnecessarily deducted depreciation and amortization need to make two accounting transactions: the first in positive numbers, the second negative.

1) Debit account "Depreciation of fixed assets"

Credit account "Profits and losses".

2) Debit account "Authorized capital"

Credit account "Amortization capital".

¹³ Шульман С.И. технический прогресс и учет основных фондов. – Мн: Высшая школа, 1984.

CONCLUSIONS AND PROPOSALS

Items of property, plant and equipment are the basis of all activities in the process of creating products, given services and performed work. For business enterprises of any organizationally legal forms, of any types, in any sectors of the economy they need means of production –that is fixed assets. The significance of the presence and movements of the means of production in the economic activity of the economic agents to determine the relevance and timeliness of the review of problematic aspects of acquisitions and calculating amortization of fixed assets. In particular, disposals of property, plant and equipment, in the absence of their income, may be evidence of a business organization. If you have in your business and receipt, and leaving of property, plant and equipment, the intensity of leaving may indicate that the company is actively upgrading its core funding. Furthermore, the crisis is more likely to discard items because of reduction of volumes of manufacture and equipment downtime.

Problem of credibility in financial reporting accounting information on capital assets is one of the most important places at this stage of development of economic relations. In modern conditions of reduced solvency of the population and consumer demand and, as a consequence of the decline in production, determine the importance of strengthening accounting control for the efficient use of resources and property assets, which are important items of property, plant and equipment. Accordingly, the priority objectives of the work are: definition of the fixed assets in business activities of enterprises, the study of theoretical issues of accounting of fixed assets and specific reflection of economic operations depending on their origin.

The question of innovation towards the development of Uzbekistan's modernization, based on the global policy of the productive capacity. In modern conditions of managing it is not enough dealing with the modernization of the economy and providing with new main means, we also need the ability to use them effectively and to manage their movement. In addition, the results of revaluation of

fixed assets, depreciation calculation methods, variation methods for the identification and valuation of capital assets, the effective use of financial instruments, which are the expression of non-current assets, comprise a significant link in the modern management of primary tools. In turn, good governance is impossible without high-quality and timely information that plays a decisive role in ensuring upgrades, high capital and diversify the channels for the use of funds. The primary source of this information - accounting data, remains. However, there are many problems in applying the rules of accounting and valuation of fixed assets. So, amid controversy about the economic wisdom of depreciation and of their role in the analysis of financial results, the method of calculating the amortization of fair value, technology of building information channels on the data of capital assets' movements, demarcation of responsibilities between the centers of enterprise management, acceptance and justification of managerial decisions. Therefore, issues of fixed assets accounting continue to remain actual, methodology and results of which can neutralize some of those problems.

In the overall analysis of fixed assets in the State Unitary enterprise "Yermulkkadastr", fulfilled operations on posting, on calculating fixed assets' depreciation, on revaluating and write-offs of fixed assets. If you look at the composition of the fixed funds, the large proportion falls to computing machinery, because computing machinery is used in the assessment and measurement of the movable and immovable objects.

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APPENDIXES

Ўзбекистон Республикаси Молия вазирининг
2002 йил 27 декабрдаги 140-сонли буйруғига
1-сонли илова, ЎзР АВ томонидан 2003 й
24 январда рўйхатга олинган N 1209

БУХГАЛТЕРИЯ БАЛАНСИ - 1-сонли шакл

__1 январь__2013 йилга		Коллар	
БХУТ бўйича 1-шакл		0710001	
Корхона, ташкилот Фаргона шаҳар «Ермулкадастр» хизмати	КТУТ бўйича-	20	248 914
Тармок	ХХТУТ бўйича-	84	200
Ташкилий-ҳуқуқий шакли	ТХШТ бўйича-		
Мулкчилик шакли Хужалик ҳисоби	МШТ бўйича-	212	
Вазирлик, идора ва бошқалар Ўзбекистон Республикаси «Ерголе жкадастр» давлат кумитаси	ДБИБТ бўйича-	21	00
Солиқ тўловчининг идентификацион рақами	СТИР-	205	712 892
Худуд	МХОБТ-	173	04 01
Манзил Фаргона шаҳар Ал Фаргоний куча 73 уй	Жўнатиш санаси		
Ўлчов бирлиги, минг сўм	кабул қилинган санаси		
	Такдим қилиш муддати-		

Кўрсаткичлар номи Наименование показателя	Сатр коди	хисобот даври бошига	Хисобот даври охирига
1	2	3	4
Актив			
I. Узок муддатли активлар			
Асосий воситалар:		11	12
Бошлангич (кайта тиклаш) киймати (0100, 0300)	010	122188	148503
Эскириш суммаси (0200)	011	82228	96453
колдик (баланс) киймати (сатр. 010 – 011)	012	39960	52050
Номоддий активлар:			
Бошлангич киймати (0400)	020	23278	23278
Амортизация суммаси (0500)	021	11108	15403
колдик (баланс) киймати (сатр. 020 – 021)	022	12170	7875
Узок муддатли инвестициялар, жами (сатр.040+050+060+070+080), шу жумладан:	030		
кимматли коғозлар (0610)	040		
Шўъба хўжалик жамиятларига инвестициялар (0620)	050		
Карам хўжалик жамиятларига инвестициялар (0630)	060		
Чет эл капитали мавжуд бўлган корхоналарга инвестициялар (0640)	070		
Бошка узок муддатли инвестициялар (0690)	080		
Ўрнатиладиган асбоб-ускуналар (0700)	090		
Капитал кўйилмалар (0800)	100		
Узок муддатли дебиторлик қарзлари (0910, 0920, 0930, 0940)	110		
Узок муддатли кечиктирилган харажатлар (0950, 0960, 0990)	120		
I бўлим бўйича жами (сатр. 012+022+030+090+100+110+120)	130	52130	59925
II. Жорий активлар			
Товар-моддий захиралари, жами (сатр.150+160+170+180), шу жумладан:	140	12014	20472
Ишлаб чиқариш захиралари (1000, 1100, 1500, 1600)	150	12014	20472
Тугалланмаган ишлаб чиқариш (2000, 2100, 2300, 2700)	160		
Тайёр маҳсулот (2800)	170		
Товарлар (2900 дан 2980 нинг айирмаси)	180		
Келгуси давр харажатлари (3100)	190	28830	16431
Кечиктирилган харажатлар (3200)	200		
Дебиторлар, жами (сатр.220+240+250+260+270+280+290+300+310)	210	12751	37988
Шундан: муддати ўтган	211		
Харидор ва буюртмачиларнинг қарзи (4000 дан 4900 нинг айирмаси)	220	9785	14173
Ажратилган бўлинмаларнинг қарзи (4110)	230		
Шўъба ва қарам хўжалик жамиятларнинг қарзи (4120)	240		1673
Ходимларга берилган бўнақлар (4200)	250		
Мол етказиб берувчилар ва пудратчиларга берилган бўнақлар (4300) Авансы, выданные поставщикам и подрядчикам (4300)	260	180	158
Бюджетга солиқ ва йигимлар бўйича бўнақ тўловлари (4400)	270	1255	6056
Авансовые платежи по налогам и сборам в бюджет (4400)	280	756	9171
Максадли давлат жамгармалари ва сугурталар бўйича бўнақ тўловлари (4500)	290		
Таъсисчиларнинг устав капиталига улушлар бўйича қарзи (4600)	300	348	3012
Ходимларнинг бошка операциялар бўйича қарзи (4700)	310	427	3745
Бошка дебиторлик қарзлари (4800)	320	7931	22163
Пул маблаглари, жами (сатр.330+340+350+360), шу жумладан:	330		
Кассадаги пул маблаглари (5000)	340	7931	22163
Хисоб-китоб счётидаги пул маблаглари (5100)			

Чет эл валютасидаги пул маблаглари (5200)	350		
Бошка пул маблаглари ва эквивалентлари (5500, 5600, 5700)	360		
киска муддатли инвестициялар (5800)	370		
Бошка жорий активлар (5900)	380		
II бўлим бўйича жами (сатр.140+190+200+210+320+370+380)	390	61526	97034
Баланс активи бўйича жами (сатр.130+390)	400	113656	156979

Курсаткичлар номи	Сатр коди	Хисобот даври бошига	Хисобот даври охирига
1	2	3	4
Пассив			
I. Ўз маблаглари манбалари			
Устав капитали (8300)	410	14759	14759
Қўшилган капитал (8400)	420		
Резерв капитали (8500)	430	35469	35469
Сотиб олинган хусусий акциялар (8600)	440		
Таксимланмаган фойда (копланмаган зарар) (8700)	450	-1048	-87
Максадли тушумлар (8800)	460		
Келгуси давр харажатлари ва тўловлари учун захиралар (8900)	470		
I бўлим бўйича жами (сатр.410+420+430-440+450+460+470)	480	49180	50141
II. Мажбуриятлар			
Ўзок муддатли мажбуриятлар, жами (сатр.500+520+530+540+550+560+570+580+590)	490		
шу жумладан: ўзок муддатли кредиторлик қарзлари (сатр.500+520+540+560+590)	491		
Мол етказиб берувчилар ва пудратчиларга ўзок муддатли қарз (7000)	500		
Ажратилган бўлинмаларга ўзок муддатли қарз (7110)	510		
Шўба ва қарам хўжалик жамиятларга ўзок муддатли қарз (7120)	520		
Ўзок муддатли кечиктирилган даромадлар (7210, 7220, 7230)	530		
Солик ва мажбурий тўловлар бўйича ўзок муддатли кечиктирилган мажбуриятлар (7240)	540		
Бошка ўзок муддатли кечиктирилган мажбуриятлар (7250, 7290)	550		
Харидорлар ва буюртмачилардан олинган бўнақлар (7300)	560		
Ўзок муддатли банк кредитлари (7810)	570		
Ўзок муддатли қарзлар (7820, 7830, 7840)	580		
Бошка ўзок муддатли кредиторлик қарзлар (7900)	590		
Жорий мажбуриятлар, жами (сатр.610+630+640+650+660+670+680+690+700+710+ +720+730+740+750+760)	600	64476	106838
шу жумладан: жорий кредиторлик қарзлари (сатр.610+630+650+670+680+690+700+710+720+760)	601	64476	106838
Шундан: муддати ўтган жорий кредиторлик қарзлари	602		
Мол етказиб берувчилар ва пудратчиларга қарз (6000)	610		
Ажратилган бўлинмаларга қарз (6110)	620		
Шўба ва қарам хўжалик жамиятларга қарз (6120)	630	13997	-
Кечиктирилган даромадлар (6210, 6220, 6230)	640		
Солик ва мажбурий тўловлар бўйича кечиктирилган мажбуриятлар (6240)	650		
Бошка кечиктирилган мажбуриятлар (6250, 6290)	660		
Олинган бўнақлар (6300)	670	36137	86614
Бюджетга тўловлар бўйича қарз (6400)	680	2347	2295 ✓
Сугурталар бўйича қарз (6510)	690		
Максадли давлат жамгармаларига тўловлар бўйича қарз (6520)	700	2097	-
Таъсисчиларга бўлган қарзлар (6600)	710		

Мехнатга ҳақ тўлаш бўйича қарз (6700)	720	9046	16345
Қиска муддатли банк кредитлари (6810)	730		
Қиска муддатли қарзлар (6820, 6830, 6840)	740		
Узоқ муддатли мажбуриятларнинг жорий қисми (6950)	750		
Бошқа кредиторлик қарзлар (6950 дан ташқари 6900)	760	852	1584
II бўлим бўйича жами (сатр.490+600)	770	64476	106838
Баланс пассиви бўйича жами (сатр.480+770)	780	113656	156979

**БАЛАНСДАН ТАШҚАРИ СЇЕТЛАРДА
ХИСОБГА ОЛИНАДИГАН ҚИЙМАТЛИКЛАРНИНГ
МАВЖУДЛИГИ ТЇГРИСИДА МАЪЛУМОТ**

Кўрсаткичлар номи Наименование показателя	Сатр коди Код стр.	хисобот даври бошига	хисобот даври охирига
Қиска муддатли ижарага олинган асосий воситалар (001)	790		
Масъул саклашга қабул қилинган товар-моддий қийматликлар (002)	800		
Қайта ишлашга қабул қилинган материаллар (003)	810		
Комиссияга қабул қилинган товарлар (004)	820		
Ўрнатиш учун қабул қилинган ускуналар (005)	830		
Қатъий хисобот бланкалари (006)	840		
Тўловга қобилиятсиз дебиторларнинг зарарга хисобдан чиқарилган қарзи (007)	850		
Олинган мажбурият ва тўловларнинг таъминоти (008)	860		
Берилган мажбурият ва тўловларнинг таъминоти (009)	870		
Узоқ муддатли ижара шартномасига асосан берилган асосий воситалар (010)	880		
Суда шартномаси бўйича олинган мулклар (011)	890		
Келгуси даврларда солиқ солинадиган базадан чиқариладиган харажатлар (012)	900		
Вактинчалик солиқ имтиёзлари (турлари бўйича) (013)	910		
Фойдаланишдаги инвентар ва хўжалик жиҳозлари (014)	920		

Раҳбар

Бош бухгалтер



Ишрақов А
Ишрақов Б

Реконструкция модернизация (бухгалтерская запись)			Капитальный ремонт (бухгалтерская запись)								
дата	№	сумма	дата	№	сумма	дата	№	сумма	дата	№	сумма

Краткая индивидуальная характеристика объекта

Наименование признаков, характеризующих объект	Основной объект	Наименование важнейших приспособлений и принадлежностей, относящихся к основному объекту			
		3	4	5	6
1	2	3	4	5	6

Карточку заполнил _____ должность _____ подпись _____ и.о. фамилия _____
 « _____ » _____ 198 ____ г.

Ершукладостр
 предприятие организация

Типовая межведомственная форма № ОС-7
 Утверждена приказом ЦСУ СССР от 14.12.72 № 816

Инвентарная карточка № 22 учёта основных средств
 (для машин, оборудования, инструмента, производственного и хозяйственного инвентаря)

Компьютер РИ-ASROC PC01 PC 2, 131256 / PCGB / FDR 3,5 /
CD ROM / SP Key / Мемор. ертик / Саж / LG 448 / сам. формат

Паспорт, чертёж № _____ Заводской № _____ Модель, тип, марка _____

Цех, отдел, учётная линия	Счёт, субсчёт	Код аналитического учёта	Первоначальная стоимость	Инвентарный №	Код затрат (для отнесения амортизационных отчислений)	Код нормы амортизационных отчислений	Норма амортизационных отчислений		Оборудования, инструмента инвентаря	Дата выпуска (изготовления)	Акт о вводе в эксплуатацию		Дата начала плтвы за основные средства (мес. год)
							8	9			13	14	
	0150		691000		0150		44	20%			2 03	062	
Накладная		Внутреннее перемещение объекта											
дата	№												
01.05.07	48	"И.И. Кардинал Кошкун" с/р Иванов Валерий Александрович											
		счёт 126686											
Сумма износа по данным переоценки на 1.1.19/2 г или по документам приобретения		Отметка об оприходовании объекта (бухгалтерская запись)			Отметка о выбытии (бухгалтерская запись)			Причина выбытия					
		Дата	№	дата	№								
				4.04.006									

Источник приобретения (Адрес, наименование) _____ Поправочный коэффициент _____