

Improvement of Production Costs in Textile Enterprises

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Abstract: In this article, suggestions and recommendations are made for keeping records of production costs in textile enterprises and improving the accounting system of our country based on international practice.

Key words: investment, joint stock company, foreign investment, financial market, investment attractiveness, stock, stock exchange, securities.

Introduction

Currently, the developed countries of the world are achieving the stability of the national economy on the basis of innovative development and diversification of production, strengthening their competitiveness in the world market by producing exportable products. "In 2021, the size of the world textile market was estimated at 993.6 billion US dollars.

Between 2022 and 2030, the annual growth rate is expected to be 4.0 percent." Accounting and auditing in accordance with international standards in the process of accounting for finished products, calculating product costs and attracting foreign investments in light industrial enterprises worldwide is defined as a priority task.

Recognizing that the stable development of the national economy in the countries of the world depends to a large extent on the correct and accurate level of financial status and reports of economic entities, many scientific research works are being conducted aimed at improving the accounting and auditing of finished products. Development of accounting and creation of an information base for managing the economic activity of textile and sewing-knitting enterprises and their departments; development of methodological bases of cost and product management in the general structure of the management system of light industrial enterprises; accounting for finished products and their sale in light industrial enterprises and development of its audit; to study the methodological aspects of the realization of products in the light industrial system; scientific research on the development of accounting and auditing in sewing and knitting enterprises is one of the priorities.

Literature review

Expenses are the outflow of economic benefits or a decrease in the form of their use during the reporting period, as well as the occurrence of obligations that lead to a decrease in capital among participants. (Vahobov et al. 2013)

Costs are the monetary expression of expenses related to the production of products, the sale of goods, the performance of works and the provision of services. (Khasanov and Hashimov 2013)

In enterprises, costs are divided into production costs, period costs, financial activity costs and emergency costs. Production costs are divided into elements and calculation items depending on their function. Grouping by elements serves to determine production costs according to their economic content and make appropriate estimates. Grouping by calculation items is needed to calculate the cost of the product. (Israilov and Makhsudov 2020)

Cost is the monetary expression of costs associated with the production of products, the sale of goods and the provision of services. (A. Shoalimov and others 2016)

Research methodology

The research used induction, deduction, systematic and comparative analysis, grouping, experiment, adaptive methods, integrated approaches, the analysis and approval of international experiences on the issues of asset impairment calculation and improvement of methods.

Analysis and discussion of results

While design and merchandising are creative pursuits, crunching the numbers is essential to maintaining a profitable business. By taking the time to understand the ins and outs of costing and accounting, brands can price products more accurately and manage finances better.

Creating a valid bill of materials (BOM) determines how resources flow into garment production. Different inputs have direct and indirect costs:

Direct costs:

- Fabric - Type, grade, level of consumption
- Trims - Zippers, buttons, elastics
- Packaging -Polybags, labels, tags
- Labor - Processing of materials, sewing, finishing

Indirect costs:

- General costs of production - Electricity, equipment maintenance, rent
- Administrative overheads - Office expenses, sales team expenses
- Marketing overhead -Catalogs, websites, promotions

These costs across products help in formulating pricing strategies and determining production budgets.

Also, methods of calculating costs for organizing production processes at textile enterprises include:

1. Ordering - Ordering and prototype development pay sheets track costs for each style. The total cost is divided by the amount of the unit rate.
2. Cutting and sewing -Cost factors in the stages of spreading, cutting, sewing and finishing. Estimates of fabric consumption and wastage rates ensure the expected output.
3. Complete fashion -Cost sheets for knitwear produced in ready sizes are simplified without cutting.
4. Private label production - Order quantity guarantees cost effectiveness minus design costs. Value analysis by suppliers determines material usage.

Getting the cost parameters right before finalizing mass production is critical.

Fabric remains the most expensive component for most garments. Thus, fiber types, construction features, and source selection make or break budgets:

- Natural vs. Synthetics -Wool and silk score high for aesthetics, while polyester and nylon win for affordability.
- Fabric weight -Heavier materials require additional handling and use more paint.
- Woven and knitwear -Sustainable fabrics effectively use fabric that reduces waste.
- Imported and domestic - Often cheaper abroad, but incurs customs and logistics costs.

Conclusions and suggestions

Based on the above, we can conclude that the correct organization of the account of production costs in textile enterprises is important in its accounting system.

The correct organization of production in textile enterprises depends primarily on the correct classification of costs related to production.

In this article, the division of production costs into direct and indirect costs, as well as the methods of calculating costs for the organization of production processes in textile enterprises, the correct choice and textile It is shown that the costs related to fabrics, which are the main raw materials of enterprises, are determined based on the types of fabrics and their processing characteristics.

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