

PROBLEMS OF FINANCIAL STATEMENT ANALYSIS

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Annotation. This article describes the transition to international financial reporting standards, important changes in the form and content of their analysis, problematic aspects and proposals for solving them.

Key words: financial reporting, financial reporting forms, international financial reporting standards, financial reporting analysis, elements of financial reporting, users of information, subjects of analysis, objects of analysis, organization of analysis.

Introduction

Regarding the transition to the international standards of financial reporting (international standards of financial reporting) and the economic, organizational and legal basis of their application in the practice of Uzbekistan, it should be noted that at the end of the actual changes in the accounting system, the main issue that remains aside is - economic resources, financial condition, profit through the analysis of financial reporting - the problem of achieving quality management in management by analyzing losses and cash flows and evaluating their future expectations is not being given enough importance. Therefore, this article highlights the form, content, goals and objectives, organizational form and some aspects of the problems of financial statement analysis.

Literature Review

The transition to International Financial Reporting Standards (IFRS) and its quality implementation is recognized as the most controversial topic in economic literature and sources. If we analyze the sources published in recent years, we can observe more than ten thousand official sources dedicated to the transition to international requirements and standards in the field of economy, business, management. Especially in scientific research and innovation processes, this issue is considered as an important factor of economic development and progress. Also, the transition of accounting, economic analysis and auditing, which are considered important pillars of business management, to internationally recognized norms, it can be said today that a new era has begun in the development of the national accounting system. One question arises here. Accounting, economic analysis and auditing appeared in the same space and were communicated to everyone in the same way, why did such fundamental differences arise in its subsequent form and content?

The transition to the International Financial Reporting Standards (IFRS), which defines the general procedure for establishing an international business language in the global economy, is an important factor in the formation of the information base for evaluating the activity and business efficiency of business entities. However, the lack of sufficient knowledge, qualifications and skills of practicing accountants in large businesses on International Financial Reporting Standards (IFRS) significantly affects the form and content of analytical work in the field. At the same time, the national accounting standards National Accounting Standards (NAS) and the International Financial Reporting Standards (IFRS) are kept alternative, causing a number of disputes in the field to come to clear solutions to problems.

One of the most acute problems in the field is the fact that while conducting business on the basis of international standards, transitioning to uniform standards for accounting and financial reporting of financial and economic activities, organizing audits in a new context based on international standards, economic analysis based on current and future requirements of management, remains one of the most acute problems in the field. . Therefore, it can be said that the

announcement of the decision of the President of the Republic of Uzbekistan No. PQ-4611 of February 24, 2020 "On additional measures for the transition to international standards of financial reporting" has started an important period in the acceleration of work in the field. (1)

Recognizing the legal, organizational, methodological and practical work carried out by state and non-governmental organizations in the transition to International Financial Reporting Standards (IFRS), it can also be seen from the scope of scientific developments carried out by industry representatives, scientists, and independent researchers that the transition to international standards of financial reporting and The number of publications and sources devoted to the fundamental improvement of the national accounting system is increasing. (2)

Research methodology

In the article, in the analysis of the financial report, importance was focused on the methods of using the model system of transforming the content of the classical economic analysis, which consists of determining comparative, dynamic and factor changes, into a modern business analysis with a new content.

Result and discussion

Regarding the financial report and its analysis, it can be seen that the problematic aspects differ in each country according to the important conditions of the current system (social, economic and legal conditions). Predominance of state management in the economy, one-sided, centralized command in monetary and fixed policy; it can be recognized that the strength of the directive, the high share of the state in sectors and sectors, are important aspects specific to the former Union and developing countries.

In the process of development of financial statement analysis, with the appearance of different aspects in the accounting system, the need to establish uniform rules and procedures, i.e., to move to international standards of accounting and financial reporting, is increasing, and no country can be left out of this process in the era of globalization.

By transitioning to the International Standards of Financial Reporting (IFRS), it is possible to provide quality information to interested parties in a transparent and reliable manner.

International Financial Reporting Standards (IFRS) is a set of documents for the preparation of financial reports, a regulation regulating the structure of financial reports, which is used by external users to make economic decisions about an organization.

Transition to International Financial Reporting Standards (IFRS) is recognized as a complex system of processes. This standard requires not only accounting, but also important issues of establishing financial reporting and its external control, analysis and prospective study, in a new context.

The scientific-theoretical problems of transition to International Financial Reporting Standards (IFRS) and their analysis can be summarized as follows:

It is explained by the fact that different criteria are used in the forms of financial statements, naming, compilation of financial statement elements, their definitions, recognition of statement items.

Although the forms of financial statements do not differ fundamentally in terms of their number and general structure, it can be seen that they fundamentally differ in terms of their naming, structural structure, unit lines, and mutual exchanges.

International standards contain concepts and work patterns (time value of money, fair value, depreciation of assets) that differ from our legislation. Also, the International Financial Reporting Standards (IFRS) do not have chart of accounts regulations. In current accounting, the plan of accounts is given special emphasis and this matter is placed in a central place. The entire procedure for reflecting operations in the account is established on the basis of strict Guidelines.

The requirements for the preparation of documents in the national accounting system also differ from International Financial Reporting Standards (IFRS). In international practice, it is considered secondary to the formalization of the document and the circumstances that have occurred. In this regard, the issue of professional judgment of accountants is not given a place at all. Also, in cases where the impact of inflation is high, the practice of determining accounting information and their regulatory conditions is generally not recognized.

Despite the fact that the accounting, financial reporting and presentation procedures were once written with the condition of compliance with the International Financial Reporting Standards (IFRS), in practice, it has become an economic support that fulfills the fiscal conditions of more countries and provides information for more tax reporting, which creates important differences.

The definitions of accounting elements and their structural units in the International Financial Reporting Standards (IFRS) differ somewhat from the definitions given in the national legislation and the National Accounting Standards (NAS).

Another aspect of the problems in the transition to International Financial Reporting Standards (IFRS) is explained by the difference in the interests of internal and external information users. Generally, the goal of the transition to International Financial Reporting Standards (IFRS) is to provide foreign investors with the information necessary to analyze the prospective increase or decrease of their wealth in areas and organizations (companies, corporations, joint-stock companies) of interest.

With the decision of the President of the Republic of Uzbekistan dated February 26, 2020 No. 4611 "On additional measures for the transition to international standards of financial reporting", it is necessary to recognize that an important stage of the integration process has begun. According to the decision, the main part of the transition to the International Financial Reporting Standards (IFRS) is to include joint-stock companies, commercial banks, insurance organizations and legal entities belonging to the category of large tax payers. It is stipulated that the enterprises included in this composition shall compile and present the financial report based on the International Standards of Financial Reporting (IFRS). (1)

The transition to International Financial Reporting Standards (IFRS) requires changing not only accounting, but also all management (planning, control, evaluation and analysis) levers. This issue, in a certain sense, remains open.

One of the most important levers of management is the issue of financial statement analysis. Financial statement analysis, financial statement analysis, financial situation analysis, and financial analysis, this lever, in practice, cannot get out of the scope of historical, classical content. Despite the fact that financial reports provide information about past events and transactions, it is often forgotten that their main function is to forecast the company's future. It is this approach that explains the approaches and methods included in International Financial Reporting Standards (IFRS).

The information reflected in the financial report includes the analysis of the financial situation of the business entity and the forecasting of its future expectations, the main factors and influences that formed the financial results, the measures used by the entity in response to changes in the environment in which the entity operates, the investment policy of the entity aimed at maintaining and increasing the financial results, dividend policy, financing of activities requires a study of sources and liabilities.

According to the International Financial Reporting Standards (IFRS), business entities should not present all financial statements equally in a complete set of financial statements, but a financial statement prepared by the management of the business entity, which interprets and explains the main aspects of its financial position and financial results, as well as the main uncertainties it

faces. the requirement to provide analysis also requires an assessment of analytical processes and their effectiveness.

Based on the experience of the past years, it should be noted that it is necessary to create a clear system of analysis of accounting (financial) reporting forms based on the International Standards of Financial Reporting (IFRS), its modern form with a completely new theoretical, organizational, legal, methodological and practical content. is being done. This is a process directly related to their internal and external analysis.

Failure to form an important infrastructure in the application of International Financial Reporting Standards (IFRS) is causing serious problems in the field of systematic work. The basic units of infrastructure necessary for the transition to International Financial Reporting Standards (IFRS) include:

- methodical support of actions regarding the transition of business entities to International Financial Reporting Standards (IFRS) (in practice, these actions are very slow);

- increasing the level of information provision of financial reports (limited opportunities, i.e. they are satisfied with specific forms of financial reports, they are not provided with annexes, notes and explanations);

- introduction of financial reporting forms and the practice of forecasting their important units (violation of comparability due to the lack of the necessary forecasting bases and the lack of opportunities to assess the level of inflation on them, greater emphasis on retrospective analysis in financial reporting analysis, lack of rapid analysis, lack of creation of an information source for prospective analysis) ;

- Personnel issues in the compilation according to International Financial Reporting Standards (IFRS) (staff competence, professional skills, level of professional training, setting of mandatory requirements);

- lack of international expertise (membership of international public organizations, speeches at their meetings and their official statements, recognitions, lack of creation of information space, their narrow scope, etc.);

- one-sidedness in the certification system, confidence in the activity of public organizations (difficulty of exams, language problem, problems related to financing, various aspects of certification and accreditation processes);

- lack of clear methodological support in the analysis of financial statements (the breadth of topics in classical analysis, the abundance of the system of analytical indicators, their repetition, redundancy, structure, structure and periodicity, lack of a uniform methodology for factor and comparative analysis);

- lack of formation of the structural structure of assessment of the quality level of financial reports (existence of non-coordinated structural structure of state and non-state organizations regarding the assessment of requirements for the form and content of financial reports and the quality of information in them).

Joint-stock companies, banks, insurance companies, funds, which are recognized as the main entities in the implementation of the practice of using international standards on the basis of alternatives in the preparation and presentation of financial reports, do not operate according to the rules of the market law, the lack of coherence in the rules of the law of development, the lack of compliance in the field, affect the effectiveness of work in this regard. is affecting. Unfortunately, it is difficult to justify the role and place of these reports in recognition of the results achieved with large funds and efforts, expression of interests, ensuring harmony of interests, drawing up and implementing promising projects of development and progress.

Since the integration of the Republic of Uzbekistan into the international market is more connected with the countries of the Near East (with China, Russia, Kazakhstan, Turkey, Korea), the pace of transition of business entities to International Financial Reporting Standards (IFRS) is somewhat slow. Because in the economy of these countries, priority is given to approaches that are not fundamentally different from the existing procedures, which slows down the incentive actions in the transition to international standards.

The next important problem is explained by the non-existence of a single methodology of financial statement analysis. Most of the sources published so far on the methodological basis of financial statement analysis have preserved the current procedures in economic analysis. In them, emphasis is placed on identifying structural changes, assessing growth levels, and financial ratios. Analytical conclusions are also limited to a simple statement of financial position, profit and loss, and cash flow changes. Through the analysis of financial statements, systemic problems in business and management and their current and prospective solutions are not given sufficient importance. Economic development and development are based on assumptions and assumptions. In fact, this basis should be based on the results of retrospective and prospective analysis.

In reading financial statements, horizontal and vertical, trend analysis, financial coefficients, factorial and comparative analysis, the analysis is characterized by a large number of redundant actions, analytical units. How can this be explained? That is, the issue of establishing an evidence-based analysis of information users, according to their interests and interests, has not been resolved.

The most pressing problem affecting the quality of information reflected in financial statements is the delay in obtaining information. That is, the financial reports prepared according to the international standards of financial reporting receive the results of the processes that have taken place, not at the required time, but much later. If we make a list according to the requirements of PQ No. 4611 "On additional measures for the transition to international standards of financial reporting", today the number of business entities interested in transitioning to international standards of financial reporting (JSC, insurance companies, banks, funds, funds, large business entities) amount to several tens of thousands. However, in the main structure of these business entities, the delay in the preparation and presentation of financial statements according to international standards, as well as the delay in disclosure to the general public, is recognized as a late analysis of the interests of the subjects of analysis.

The next important problem is the presence of problematic aspects in the translation of International Financial Reporting Standards (IFRS), which are a set of specific rules, into Uzbek. Different interpretations of the same words are also a major factor affecting the quality of accounting and analysis services.

International Financial Reporting Standards (IFRS) are used in 166 countries of the world. This set of rules was adopted in English and has so far been translated into several official languages (German, Polish, Russian, Chinese, Czech, Finnish, Japanese, Macedonian, Romanian, Slovenian, Ukrainian, Spanish and others). It has also been unofficially translated into more than 30 other languages. Examples of the first International Financial Reporting Standards (IFRS) translated into Uzbek can be found in publications coordinated by the Association of Accountants and Auditors of Uzbekistan.

The order of the Ministry of Finance of the Republic of Uzbekistan "On the recognition of the text of International Financial Reporting Standards (IFRS) and its explanatory notes for use in the territory of the Republic of Uzbekistan" was adopted (registered on 09.12.2022, list number 3400). According to the document, more than 60 International Financial Reporting Standards (IFRS) and their explanations are used in Uzbekistan. The standards include rules for accounting and reporting in some areas of the business entities' activities.

To date, 62 documents on IFRS: including 25 IFRS, 17 International Financial Reporting Standards (IFRS) and 20 International Financial Reporting Standards (IFRS) have been translated into the national language and officially recommended for use. is being done.

Another important aspect of the transition to International Financial Reporting Standards (IFRS) is that all existing laws and regulations related to accounting, economic analysis and auditing should be revised. This process is usually best done in parallel. After all, International Financial

Reporting Standards (IFRS) are not a rigid set of rules, and they are constantly enriched with changes and additions.

Therefore, the Law on Accounting, the Tax Code, the National Accounting Standards (NAS) will be required to be re-adopted, amended and supplemented in the near future under the influence of these processes.

International Financial Reporting Standards (IFRS) transition is not a one-step process. It is a complex structure and regular process. Because he himself is constantly improving. The International Financial Reporting Standards (IFRS) system is a process of revising and revising the entire operating system. We seem to be aiming for more short-term gains from the transition to International Financial Reporting Standards (IFRS). In fact, it is necessary to approach these standards in a strategic way, which will serve to ensure a continuous flow of investment in the future and their continuity. In this regard, the experience of the countries of Russia, Kazakhstan, Azerbaijan, Turkey, whose economic and financial structure is relatively close and similar, can help us. In these countries, the International Financial Reporting Standards (IFRS) are used at two levels. That is, the experience of using International Financial Reporting Standards (IFRS) consisting of 62 standards for large businesses and taxpayers, and one "International Financial Reporting Standards (IFRS) for small and medium-sized businesses" for small and medium-sized businesses.

Conclusion

Summarizing the above points, it should be noted that the transition to the International Financial Reporting Standards (IFRS) and the correct assessment of the resources of business entities, their effectiveness and efficiency through it, the correct and fair reflection of the flow of information related to the financial situation, profits and losses, cash flows and private capital, the following conclusions were reached regarding the transition to a completely new form of analysis:

1. Financial statements prepared according to the International Standards of Financial Reporting (IFRS) do not require organization, implementation and management of current accounting, analysis and auditing in a fundamentally new content or form. In fact, only some of its aspects require restructuring based on the rules recognized in international practice. Simply put, only problems in the system where administrative management is given priority should be brought into line with international practice. The transition to international standards in accounting, economic analysis and auditing is the economic objective of providing the management entities of business entities, a wide range of counterparties related to their activities, existing and future investors, as well as a wide range of people interested in activities and business activities with legal and reliable sources in a neutral way. it requires the formation of an appropriate economic structure, not a form appropriate to the structure.

2. As long as an important infrastructure is not formed for the transition to the International Financial Reporting Standards (IFRS) and achieving positive results in its practice, any action in this regard will cause the traditional system to remain unchanged. Therefore, first of all, it is necessary to establish the systematic operation of the necessary infrastructure of interoperability and dependence, as mentioned above. It is necessary to pay more attention to its actual, macro-scale loads than its micro-scale loads.

3. The most important and decisive criterion in the transition to International Financial Reporting Standards (IFRS) is explained by legal, organizational and methodological problems. In this regard, it can be said that until now it is difficult to show a formal procedure of a recommendatory nature.

4. Transition to the International Financial Reporting Standards (IFRS) and determining the exact procedure for retrospective and prospective analysis and evaluation of financial status, profits and losses, cash flows and changes in capital structure based on financial reporting data, unfortunately, no changes were made in the content of analytical work. This is directly recognized as a task in the transition to International Financial Reporting Standards (IFRS).

5. The current situation in creating financial statements and their analysis based on the International Standards of Financial Reporting (IFRS), assessing business and management efficiency, studying economic security (tax burden, loan interest rate, bankruptcy, situational issues such as the high impact of inflation) is revealing.

6. In this process, the issue of digitalization, the issue of using software in accounting, economic analysis and auditing remains open. The used software is fully developed in the organizational conditions of national accounting, classical analysis and control.

7. The fact that aspects related to tax consequences still remain in the database of current national accounting standards (NAS) weakens interest in the transition and application of International Financial Reporting Standards (IFRS). In the process of tax accounting, it is necessary to draw up methodological guidelines for the formation of indicators and their reflection in tax reports.

8. The transition to the International Standards of Financial Reporting (IFRS) is not only about the correct formulation of financial and tax reports, but it is necessary to give clear solutions about the revision of statistical reports and their quality improvement.

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