

## Theoretical Foundations of Accounting for Finished Medicinal Products: International and National Aspects

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**Abstract:** In this article, on the basis of the characteristics of the production of ready-made medicinal products, their theoretical basis, similar and different aspects based on international and national standards, the shortcomings in their production and their elimination are discussed to increase the economic efficiency of enterprises engaged in this field. Recommendations are presented.

**Keywords:** Pharmaceutics, pharmaceuticals, ready-made products, international standards, national standards, commodity material reserves, reserves.

**Introduction.** The Decision of the President of the Republic of Uzbekistan "On measures to ensure the implementation of the Law of the Republic of Uzbekistan "On the state budget of the Republic of Uzbekistan for 2022"" "2022 - 2024" in the target indicators of budget expenditures and development programs of first-level budget fund allocators for years" "reform the pharmaceutical industry, in particular, improve the state management system in the field, wide introduction of market relations, grower, processor and seller of agricultural products the strategic goal of strengthening the legal basis of relations between entities, attracting investments to the sector, introducing resource-saving technologies and providing manufacturers of pharmaceutical products with modern techniques.

**Analysis of literature on the topic.** In the conditions of the digital economy, important changes are being made in the direction of economic and social development. This, in turn, leads to the creation of innovations in the effective use of ICT in the field of education, both in enterprises. In this regard, a number of Uzbek scientists, including I.T. Abdukarimov, E.A. Akramov, O. Bobojonov, A.V. Vahobov, E.F. Gadoyev, M.M. Tolakhodjayeva, D. Kudbiyev, R.D. Dostmurodov, M.E. Polatov, M.Q. Pardayev, K.B. Urazov, R.A. Abdullayev, H.N. Musayev, A.I. Alikulov, S.N. Tashnazarov, D.R. Rafeev, D.J. Pashakhodjayeva, U.A. Shirinov, B.F. Boronov, Z.U. Muhammadiyev and others.

Also, foreign scientists Adamenko A.A., Bashkatov V.V., Golkina G.Ye, Kuzina A.F., R. Robertson, Dodge, P.I. Kamishanov, Hermanson, Roger H., James Don Edwards, Pizzey, V.F. Paliy and others in their work materials and finished products Those who have dealt extensively with activity reporting and auditing can be found in their published textbooks, training manuals and articles.

Solving such urgent problems and tasks in the enterprises of our country today requires improvement of not only practical, but also theoretical issues of accounting for finished products.

The international accounting standard "Inventories" No. 2 (IAS) defines the term inventory as follows:

"Inventories are assets in the form of raw materials and materials that are intended for sale in the normal course of business, are in the process of production for such sale, or are intended to be used in the production process or in the provision of services."

The conducted research required the study of the opinions and comments of a number of foreign scientists and their definitions.

Russian scientist S.N. Polenova said, "A finished product is a product whose production process has been completely completed at the enterprise, meets the standard requirements and technical conditions, has been accepted by the technical control service, formalized with acceptance-handover documents and submitted to the warehouse of finished products".

The following definitions are given in the national accounting standard of the Republic of Uzbekistan No. 4:

Inventories are material assets that are kept for the purpose of later sale in the course of operation and are in the process of production, as well as used in the process of producing products, performing work or providing services, or for the implementation of administrative and socio-cultural tasks. A finished product prepared in the organization (an asset whose processing (completion) is completed and which is intended for sale and complies with the technical and quality specifications stipulated in the contract or in the cases specified by the legislation).

When conducting research on products, including finished products, it is necessary to take into account the scientific research of our country's scientists.

According to economists K.S. Ismaylov and A.B. Utemuratov, "The finished product is the result of the production process. In production enterprises, the product of labor includes all manufactured finished products.

The following definitions of these categories are provided in industry dictionaries on Internet sources:

Product is the result of economic activity embodied in goods and services. Its material form has the appearance of a material product.

Finished goods are an inventory category specific to manufacturing enterprises. They are products that have completed the manufacturing process but have not yet been sold or distributed to retailers.

Finished product is the final product of the production process in enterprises. A product that has passed all stages of technological processing, complies with approved standards and technical conditions (provided with a certificate or other document confirming its quality), accepted by the technical control department and delivered to the warehouse or shipped to the buyer is considered a finished product.

Finished goods are products or goods that have been produced during the full cycle of production or purchased in a finished state, but have not yet been sold to customers.

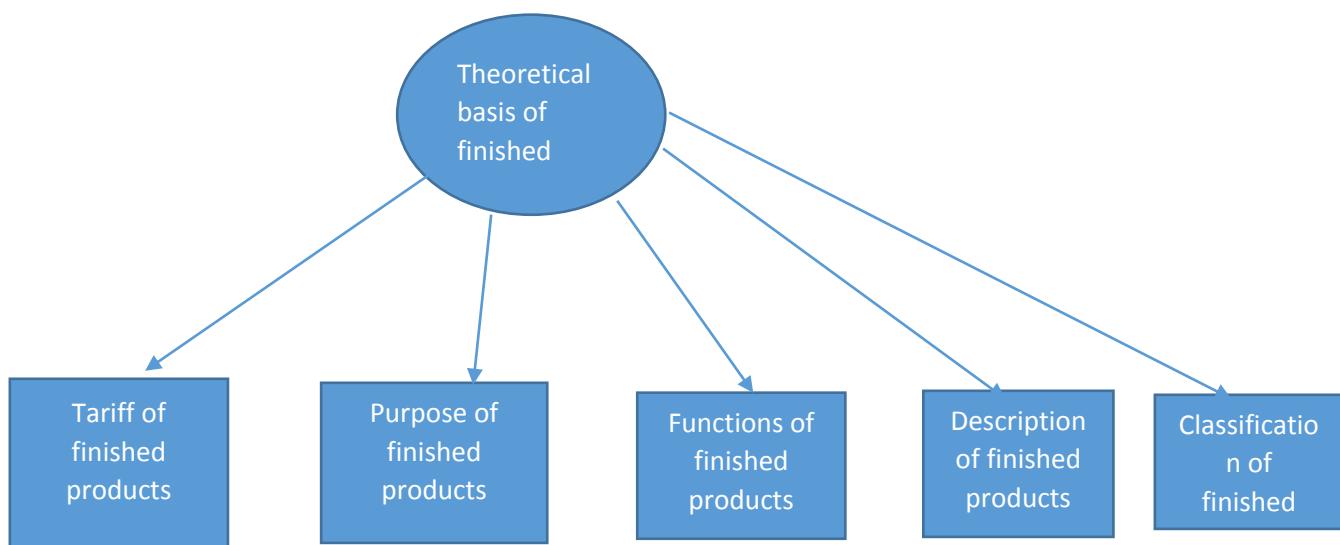
Finished products - products completely ready by processing, complying with current standards and technical conditions, accepted in the warehouse of the organization and the customer (buyer), and semi-finished products.

Finished product (TM) is a product that is produced by the company for future sale.

Therefore, as a result of the conducted research, based on the definitions and descriptions given in the literature, it can be concluded that the finished product is a product independently produced and completed by the enterprise, which fully meets the requirements set by the state and is ready in the warehouse for sale to buyers. is a must-have product. This asset, which is a finished product for the manufacturing company, is intended for the re-production process for the purchasing company and is a purchased inventory.

The above-mentioned definitions given by foreign and domestic scientists and given in international and national standards, as well as information sources, acquire important scientific and practical importance and reveal important aspects of finished products. However, as can be seen from these definitions, there is no single definition of finished products, including ready-made medicinal products, that includes all their features. They have products and ready it cannot be said that the descriptions reflect all aspects of the products.

So, what are the tasks of finished goods accounting today? What is covered in our current national standard regarding the assets of this enterprise and what are the problems? And in the international standards of financial reporting, what are the approaches and what are the needs to improve our national standard? What should be paid attention to in order to improve the theoretical foundations of accounting for finished products?



**Figure 1. Components of the theoretical basis of finished products**

The purpose of finished products as an integral object of accounting is to determine the cost of finished products in enterprises, to establish control over the income and expenses taken into account as a result of their sale, and to satisfy the needs of internal information users. The correct accounting of these processes is the provision of accurate information that meets the needs of internal information users on the accounting of finished products in enterprises, as well as the ability to make correct and timely management decisions. Therefore, in order to fully achieve the goal of accounting for finished products in pharmaceutical companies, first of all, it is necessary to correctly determine the indicators that affect the cost of this asset, to provide this information to the management staff in a timely and accurate manner. we believe that the management staff should make the right decisions regarding the presentation and setting the selling price of the finished product.

In the course of research, when studying the international and national standards of accounting, it became clear that although there is no specific standard for finished products that clearly reveals their general characteristics before accounting, however, standards for their accounting have been developed. During the research, these standards were studied and compared (Table 1):

**Table of comparison of international standards of financial reporting developed for finished products with national accounting standards.**

International standards of financial reporting	National accounting standards
Conceptual foundations of financial reporting	Conceptual foundations of financial reporting and presentation
IAS No. 1 "Presentation of Financial Statements"	BHMS No. 1 "Accounting policy and financial reporting"
IAS No. 2 "Reserves"	BHMS No. 4 "Inventories"
IAS No. 8 "Accounting policies, changes in accounting estimates and errors"	BHMS No. 1 "Accounting policy and financial reporting"
IAS No. 12 "Profit Tax"	IAS No. 21 "Effects of Changes in Exchange Rates"
IAS No. 23 "Debt Expenses"	BHMS No. 24 "Accounting of expenses on debts"
IAS No. 29 "Financial Reporting in Hyperinflation"	
IAS No. 34 "Interim Financial Reporting"	BHMS No. 3 "Report on financial results"
IAS No. 37 "Provisions, Contingent Liabilities and Contingent Assets"	
IAS No. 41 "Agriculture"	
International Financial Reporting Standards No. 1 (IFRS) "First-time application of international standards of financial reporting"	
	BHMS No. 15 "Accounting Balance"
	BHMS No. 19 "Organization and Transfer of Inventory"
	BHMS No. 21 "Plan of financial and economic accounting reports of economic entities and instructions for its application"
IFRS No. 13 "Fair value measurement"	
IFRS No. 15 "Receipts under contracts with customers"	BHMS No. 2 "Income from main economic activity"

It can be seen from the table that there are similarities and differences between the international and national standards, and it is important to use them in the activities of the enterprises producing pharmaceutical products.

Based on the results of the conducted research, the following conclusions can be made from the definitions and descriptions given above:

**Conclusions and suggestions.** The real situation in the economic market imposes such requirements on the management of the organization, according to which every company must strictly choose new technologies for effective accounting and continuous improvement of existing accounting systems. Made it possible to develop recommendations In our opinion,

First, in the doctrine and practice of international accounting, finished products are recognized as an important type of enterprise assets, respectively, as an important object of accounting and reporting.

Secondly, despite the fact that finished products are an object of accounting, there are no comprehensive definitions that clearly and comprehensively express their content.

Thirdly, we think that a comprehensive system of criteria underlying the classification of finished products has not been developed, and this comprehensive system has not been strengthened by international standards.

**"Finished product means a quick liquid asset that has passed all stages of production technological processes at the enterprise, has been delivered to the main warehouse, fully meets the standards and technical conditions set by the state, and is intended for sale."**

In our opinion, the above definition of finished products reflects all aspects of finished products, meets the requirements of the general definition given in BHMS No. 4 entitled "Inventories" and serves to further enrich it in terms of content.

Today, in financial, tax, and statistical reports conducted in our country, it is not possible to reflect finished products by dividing them into main, ancillary, and auxiliary products, and their classification has not been developed. This makes it necessary to review the content of current tax, statistics and other reports, to theoretically improve the calculation and reporting of finished products in accounting. Therefore, in our work, we found it necessary to divide the products produced in the pharmaceutical industry into types, determine their composition, and reflect them in the accounts and reports.

In our opinion, the theoretical foundations of finished products should be understood first of all as its definition, description, components, classification bases, purpose, function, and a set of methods of presentation in reports. This, in turn, forms the conceptual basis of finished products. Therefore, studying their theoretical and conceptual foundations is one of the important tasks for accounting.

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