

## Product Development Cost Factors Affecting Reduction

**Sobirov O. O**

*PhD, associate professor, Department of Accounting and Auditing,  
Namangan Institute of Engineering and Technology*

**Abstract:** In this article, we will talk about the production of the product input costs and their types, rational and efficient use of available resources in production, as well as some important issues that affect the cost of the product passed. In addition, scientific proposals and practical recommendations have been developed to reduce the cost of manufactured products using modern innovative methods in product cost calculation.

**Keywords:** Product costing, costing, production, financial position, productivity, product type, labor force, expenses, cost of sales, income, economic growth, business entity, responsibility centers.

**Introduction.** It is important for any company engaged in production activities to plan the directions of spending its funds first. When analyzing product production costs, first of all, it is considered necessary to determine the impact of changes in production volume on total costs and on the product unit. These actions are mainly necessary for the rational use of available resources, systematic adoption of management decisions on saving funds, and overall efficiency and economic growth of the economic entity.

Strict implementation of cost control in production serves as a guarantee of achieving the main goals set by the management of the business entity.

**Material and methods.** Today, the expenses incurred in the processes related to the production of products in economic entities in our country are approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 dated February 5, 1999 "On the composition of costs of production and sale of products (work, services) and the formation of financial results". It is regulated according to the regulations.

Many studies have been conducted in our country to improve the calculation of the cost of production. The main goal of these studies is to identify modern calculation methods and thereby reduce the cost.

Among the leading economists of our country, A.Pardaev, M.Pardaev, A.Karimov, A.Avlokulov, N.Rizaev, O.Sobirov and others, these areas are also covered in scientific research.

**Analysis.** Currently, modern methods of product cost calculation are widely used. The main goal is to reduce the cost. Production costs are divided into fixed and variable costs. Variable costs change in direct proportion to the level of production activity (volume of production). This is due to the fact that variable costs per unit of production (raw materials, materials, wages of production workers, etc.) are constant. Total variable costs are directly related to product volume, while variable costs per product volume are constant.

Fixed costs remain constant over a period of time for different scales of production. But as the scale of production changes, their share per unit of product changes.

As production volume increases, the amount of fixed costs does not change, but the cost per unit of output decreases. In practice, fixed costs are not always the same for all levels of production. For a comparative, long period of time measured in years, all costs are variable. Also, a large expansion of the level of activity leads to an increase in all categories of expenses. For a short period of time, costs are variable or constant depending on changes in the level of production. The shorter the time period, the more likely certain costs will be fixed.

**Conclusion.** Based on the above opinions, we believe that it is appropriate to implement the following tasks to reduce the cost of the product:

- advance forecasting of factors that have a negative impact on product price reduction and development of measures to eliminate it;
- reducing the cost of the product by localizing the raw materials included in the manufactured products;
- by developing a system of effective use of labor resources, opportunities to increase product quality and reduce costs are created.

For the development of any sector of the economy, it is clear and

Based on this information, there should be reliable information it is possible to assess the state of the enterprise and make correct conclusions, will be Direct accounting is important in this.

## References.

1. Sobirov Otabek Olimjonovich. The Cost Of Forming A Management Account In Business Entities. Journal of Pharmaceutical Negative Results. DOI: 10.47750/pnr. 2022. 13.S07-537. 4295-4298.
2. Sobirov O. Directions for improving Management accounting in business entities. journal of management value & ethics.Oct-Dec.20 Vol.10 No.04 SJIF 7.201 & GIF 0.626. INDIA. 2020. 5-8 b
3. Собиров О.О. Бошқарув ҳисобининг можияти ва уни ташкил этишда харажатларнинг ўрни. Scientific Journal of “Internatsional Finance & Accounting” -ТМИ. Тошкент. 2022 йил август. Issue 4. ISSN:2181-1016.
4. O.O.Sobirov., M.Karimova. “Problems of Effective use of Key Equipment in Enterprises”. “International journal of Formal Education”. Volume: 2 Issue: 6 | Jun – 2023 ISSN: 2720-6874.
5. Otabek Olimjonovich Sobirov. Improment of management accounting methodology in economic entities. Scientific Journal of “International Finance & Accounting” ТМИ. Issue 2, April 2023. ISSN: 2181-1016
6. Sobirov O.O. Improvement of management accounting in economic entities. - Abstract of Doctor of Philosophy (PhD) Dissertation on Economic Sciences. Tashkent. TMI. 2022 year.
7. Sobirov O.O., Uzoqboyev R. “Important issues of ensuring the financial stability of small business and subjects”. “International journal of Formal Education”. Volume: 2 Issue: 6 | Jun – 2023 ISSN: 2720-6874.
8. O.O.Sobirov., J.Alibeyev. “Issues Ensuring the Profitability of Enterprises”. “International journal of Formal Education”. Volume: 2 Issue: 6 | Jun – 2023 ISSN: 2720-6874.
9. Собиров О.О. «Хўжалик юритувчи субъектларда бошқарув ҳисобини такомиллаштириш йўналишлари». Илмий монография. Наманган-2023 йил. УЎК: 657 (075.8). КБК: 65.052.2. ISBN:978-9943-5945-8-6.
10. [www.interfinance.uz](http://www.interfinance.uz)