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COST CLASSIFICATION AND ORGANIZATIONAL ASPECTS OF MANAGEMENT ACCOUNTING PROCESSES IN ANIMAL HUSBANDRY



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Abstract. The article discusses the organizational aspects of the processes of cost classification and management accounting in livestock farming. A classification of production costs in livestock farming is proposed. Conclusions have been drawn on improving the organizational aspects of management accounting processes in livestock farming.

Keywords: livestock farming, costs, cost classification, management accounting, organizational aspects.

Annotatsiya. Maqolada chorvachilikda xarajatlar tasnifi va boshqaruv hisobi jarayonlarining tashkiliy jihatlari yoritilgan. Chorvachilikda ishlab chiqarish xarajatlarning tasnifi tavsiya etilgan. Chorvachilikda boshqaruv hisobi jarayonlarining tashkiliy jihatlari takomillashtirish bo'yicha xulosalar shakllantirilgan.

Kalit so'zlar: chorvachilik, xarajatlar, xarajatlar tasnifi, boshqaruv hisobi, tashkiliy jihatlari.

Аннотация. В статье рассмотрены организационные аспекты процессов классификации затрат и управленческого учета в животноводстве. Предложена классификация издержек производства в животноводстве. Сформированы выводы по совершенствованию организационных аспектов процессов управленческого учета в животноводстве.

Ключевые слова: животноводство, затраты, классификация затрат, управленческий учет, организационные аспекты.

Introduction

In the conditions of economic development, animal husbandry costs and obtained products should be accepted flexibly to accounting, biotransformation processes of biological assets. In this case, it is necessary to ensure the simplicity of the account and the relevance of information for making decisions. "Effective use of account information in livestock management depends on accounting processes, data processing algorithm, account registers, methods of summarizing data, periodicity of their acquisition, systematization in the form of reports for use in decision-making" [1].

"When organizing and maintaining the management account of expenses and

product output in dairy farming, it is necessary to take into account all the elements of the accounting system, the specific features of livestock farming that affect its further development, as well as control, analysis and other functions of livestock management" [2].

In animal husbandry, it is appropriate to consider production costs, products and financial results according to the "costs - products - results" management model.

The classification of animal husbandry expenses is carried out in accordance with the generality of many features allocated to reflect them in the network accounting system, a detailed description of which is approved by Resolution No. 54 of the Cabinet of Ministers of the Republic of Uzbekistan on February 5, 1999 "Composition of costs of production and sale of products (works, services) and the regulation on the procedure for forming financial results" [3] of "B. The list of expenses related to financial and economic activity of the economic entity is presented in the section.

Results

In order to facilitate the timely, correct and accurate formation and analysis of data in dairy farming, the cost classification was improved (Table 1).

Table 1

Classification of production costs in animal husbandry

Classification mark	Classification element
By economic element (homogeneous type of expenditure regardless of purpose)	<ul style="list-style-type: none"> - material costs (minus the cost of recoverable waste) - labor costs - allowances for social needs - depreciation - other expenses
By calculation item (cost objective)	<ol style="list-style-type: none"> 1. Material resources used in production, including: <ol style="list-style-type: none"> 1.1. Animal protection equipment, 1.2. Food, including: a) purchased and produced in the past years; b) produced in the current year itself; 1.3. Oil products; 1.4. Fuel and energy for technological purposes; 1.5. Activities and services of third-party organizations. 2. Salary, including: <ol style="list-style-type: none"> a) main, b) additional, c) in kind, d) other fees. 3. Allocations for social needs. 4. Maintenance of fixed assets, including: a) depreciation, b) repair and maintenance of fixed assets. 5. Works and services of auxiliary productions. 6. Taxes, Fees and Other Charges. 7. Other expenses.

	8. Losses from death of animals 9. General production costs 10. General economic costs
In relation to the production process	- labor costs - labor costs - live labor costs
By costing method	- directly related to the cost of production - curve, to the cost of certain types of products (in proportion to the specified base)
According to the composition of costs	- simple (consisting of one cost element) - complex (consisting of several cost elements)
According to the technical and economic content	- main - additional costs (production maintenance and management costs)
Depending on the volume of production	-variable (depending on production volume) - conditional constant (independent or less dependent on the volume of production)
By periodicity	- one time - current - periodic
On planning coverage	- planned - unplanned
On the scope of standardization	- standardized - not standardized
Limitation	- limited (for tax purposes) - not limited
By object of control	- expenses at places of appearance - costs in responsibility centers - costs in responsibility centers

The implementation of this proposal in practice ensured timely, correct and accurate formation of information on the elements of classification of animal death losses, means of protection of animals from diseases, facilitated analysis and helped to make effective management decisions.

Depending on the size and type of the product, production costs are divided into groups based on the type of activity. On this basis, production is divided into the following groups: primary production, auxiliary production, service production and farms.

For the economic and financial stability of livestock farms, it is very important to have a large volume of main production products, in particular, marketed goods. Livestock farms produce milk, offspring, wool, and other products.

In general, the main production in the agrarian sector can be divided into areas that produce products for plant breeding, animal husbandry and industrial production.

Livestock farms also have auxiliary production, which supports the main production by providing related services and performing work.

In order to ensure the stability of the main production in livestock farms, auxiliary production is calculated, including the following groups: motor transport, horse transport, car and tractor fleets, repair works, water supply, energy supply, heat and gas supply and cooling services.

Service industries and farms mainly provide various social and household services to farm workers and, in some cases, to the population living in the farm area. Service industries and enterprises are divided into the following groups based on the consumption needs of employees and the population: general catering, household services, housing and communal services, pre-school educational institutions, cultural institutions, other sectors, non-commercial activities.

"Product production costs form the cost of the product at the end of the reporting (calculation) period. Therefore, the cost of products (work, services) is considered as a monetary expression of the costs of material, labor tools and objects, as well as financial costs for their production. According to this definition, the cost of an agricultural product is directly related to the production process of this product, i.e. costs without which it is impossible to produce this product, perform work (depreciation, material costs, wages for employees, etc.), as well as labor tools and labor includes some financial costs (insurance payments, social contributions) and all other costs calculated from the conditions of reproduction. The main criteria for including costs in the cost of manufactured goods are:

- a) costs must be directly related to the production of this type of products;
- b) expenses must be from the conditions of the implementation of the full technological process of production of this type of product, as well as means of production (depreciation, insurance payments, etc.), labor (social contributions);
- c) expenses must be documented (confirmed on the basis of documents) [4].

It is appropriate to organize and implement work on the farm, paying attention to the above-mentioned main criteria when including the costs of production of products in animal husbandry.

"Categorization of costs in animal husbandry according to their economic content is the ratio of the production of individual products (main, by-products and by-products according to their specific types), as well as the ratio of production costs for the industry as a whole to live and materialized labor costs, as well as determining labor productivity (the influence of the level of agrobiotechnological and agrotechnical conditions of production on them), it is necessary to make management decisions through the analysis of the cost of manufactured products and control over the efficiency of their use in the optimal (acceptable) standardization (planning) of labor resources, labor remuneration fund, material, biological and financial resources. In order to use the above-mentioned categorization of expenses more effectively in practice, it is necessary to further clarify their categorization" [5]. Thus, it is appropriate to classify the classification of costs in dairy farming as follows (Figure 1):

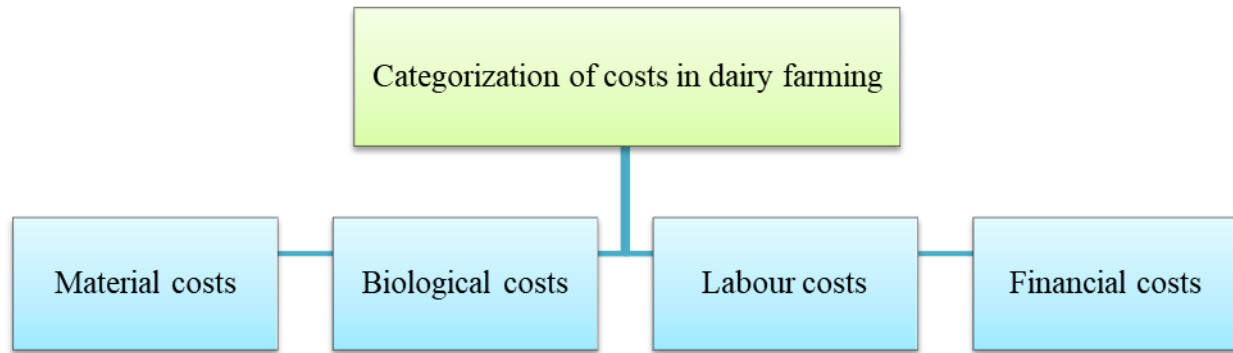


Figure 1. Categorization of costs in dairy farming

Material costs in animal husbandry can include: fuel and lubricants, drugs for protection of livestock from diseases, depreciation of fixed assets, material costs and other costs. Biological costs include livestock feed, bedding (for livestock), as well as depreciation of biological assets (productive livestock).

Costs can be expressed by the following formula:

$$MC_{\text{prod}} = LC + CMR + CBR + FC, (1)$$

here: LC - labor costs; CMR - consumption costs of material resources;

CBR - costs of consumption of biological resources; FC - financial activity costs.

"Understanding the nature and composition of these costs in animal husbandry is necessary to solve the following problems:

- Scientifically based standardization of the formation of insurance reserves for labor costs, costs of material and biological labor objects, biological labor objects;
- planning (budgeting) the costs of labor, remuneration, material and biological production reserves in animal husbandry, organizing preliminary and management accounts accordingly;
- determination of proposals for the management account of consumption costs of biological assets (productive animals) by improving the methods of amortization of the value of biological assets;
- the use of scientifically based methods of estimating the costs of material and biological labor items included in the cost of livestock products;
- to determine proposals for reflecting in the management accounts the write-off of material and biological labor costs, the cost of products and their unrealistic (unreal) deviations that distort the financial results from its sale;
- development of methodological aspects of control of labor, material, biological and financial expenses for production of products in dairy farming;
- determination of summarization methods and reporting forms to provide managers of agricultural enterprises with information on material, biological, labor and financial costs for the development, adoption and execution of operational, tactical and strategic management decisions [6].

Discussion

Full understanding of the nature and composition of production costs in animal husbandry specialization is of great importance in finding a solution to the above-

mentioned problems.

"Production costs in dairy farming are divided into basic (technological) and organizational-management (overhead) costs in relation to the production (technological) process. In practice, other criteria for grouping costs can be used: according to the volume of production (variable, conditional variable, mixed and constant); in relation to planning (plan-normative, real, deviation from plan-normative) and others" [7].

In dairy farming, it is advisable to ensure that the accounting process is carried out based on the following principles and rules:

"- provides control over compliance with the regime of cost saving and appropriateness of the performed economic transactions in terms of their economic content and legal basis;

- selection of cost accounting objects, calculation object and calculation units, as well as production accounting (process and other) methods and their use in optimal connection with the cost (full or variable cost) accounting system;

- to create their progressive nomenclature in the financial and management account by using the methodical methods and operations of the general system of accounting of the elements and items of expenses;

- application of its data in the management of economic processes based on increasing the efficiency of management accounting communication according to the "preliminary accounting-production accounting-management accounting system-management system" scheme;

- to identify unused internal reserves and mobilize them for production in order to increase the productivity of livestock, reduce the cost of products, and increase their profitability [8].

Farms specializing in dairy cattle breeding should organize and implement the accounting process based on the above-mentioned principles and rules during the accounting of financial and economic activities and expenses.

"In this case, cost management falls on the management system (on the management apparatus, including the first-level managers - farm managers) for planning (production budgeting), control, analysis and decision-making of economic processes, the following actions are performed, such as collecting, measuring, registration, reflection, processing, interpretation, integration, generalization, registration and presentation of information about the costs, output and production of an agricultural enterprise» [9].

In order to increase the efficiency of the financial and economic activity of farms specializing in animal husbandry, it is necessary to organize management accounting and budgeting to ensure the consistency of information.

"When organizing and maintaining production accounting in dairy farming, these processes should be organized in such a way that providing the management system with useful information on the costs and results of the units' activities according to the "costs-output-results" model should be considered an important methodological aspect." The main elements of the content of such a management system are: forecasting, planning, standardization, accounting by responsibility centers, analysis of production activities, control and regulation of production processes [10].

Summary

Based on the organization of normative-informational, methodological and technological base of management accounting in dairy farming, it is appropriate to organize analytical and synthetic accounting based on the following methodological aspects (Figure 2).

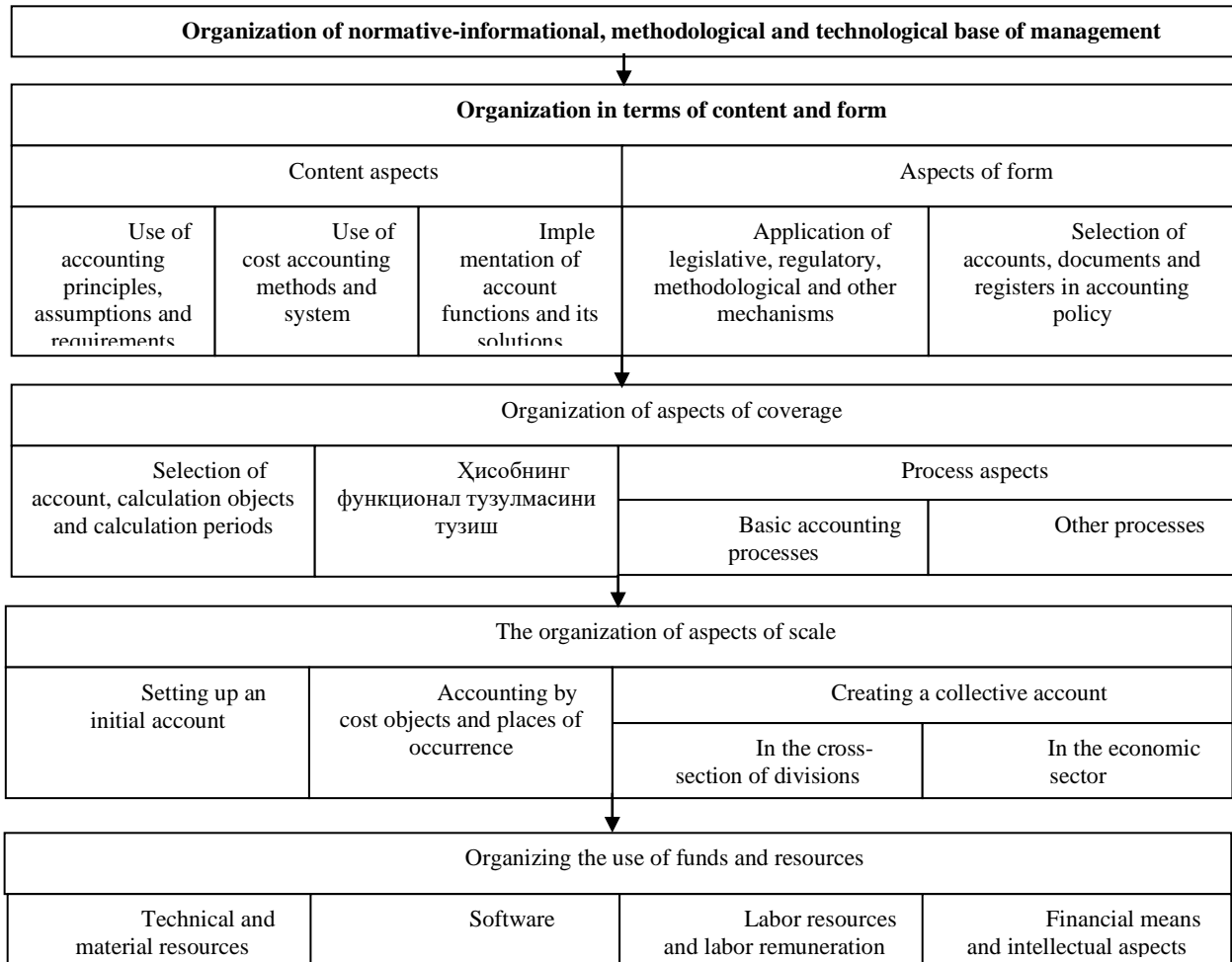


Figure 2. Organizational aspects of management accounting processes in animal husbandry

In conclusion, accounting for cost calculation items involves calculating the cost of a product (work, service) unit, determining their efficiency and competitiveness, determining the factors that influenced the formation of this level of cost, as well as cost reduction or product (work, service) cost optimization allows to search for paths.

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