



THE ROLE AND SIGNIFICANCE OF THE BALANCE SHEET

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Annotation

The article gives a detailed description of the balance sheet as one of the main forms of financial statements, its types and significance in the financial management of an enterprise. The article also describes the economic essence of the asset, liability, each of its sections and articles.

Keywords : balance sheet, asset and liability, equity, sections and articles of the balance sheet.

Introduction

One of the main forms of financial reporting is the balance sheet. Balance sheet (fr. balance, literally - scales, from lat. bilanx - having two weight bowls) - one of the main forms of financial statements, in which the property of an enterprise and the sources of their formation are grouped in sections of asset and liability in monetary terms for a certain date.

The balance sheet is a table in which static accounting objects are grouped with their numerical values. In accordance with the consideration of accounting objects from two points of view: property and sources of financing of this property. The balance sheet consists of two parts: an asset, which shows property by type and group, and a liability, which shows the equity and liabilities of the organization.

The balance sheet characterizes the property and financial condition of the organization in monetary terms as of the reporting date.

The management of the enterprise should be able to read the balance sheet, using its data, to see behind each article a real picture of the state of the enterprise, where the funds came from and where they are placed, whether they are enough for normal operation. The main requirements for the balance sheet are truthfulness, reality, unity, continuity and clarity.

Veracity of the balance sheet is ensured by the completeness and quality of the documents on the basis of which it is compiled. If not all the facts of economic activity of the reporting period are documented in a timely manner or are drawn up incorrectly, then the balance sheet does not reflect the actual result of the enterprise's work. Each article of the balance sheet must be documented, with entries in the





accounts, accounting calculations and inventory. Deliberate distortion of the balance sheet data is called its veiling. The veiling of the balance can be intentional in order to hide violations or to embellish certain aspects of the activity and unintentional as a result of ignorance of certain provisions on the balance sheet.

The reality of the balance means the correspondence of the estimates of articles to objective reality. The concepts of “truthfulness” and “reality” of balance should not be confused. The balance sheet may be true, but not real, i.e. the balance sheet data is compiled on the basis of documents and shows the actual availability of funds, but some articles do not show the real situation, for example, fixed assets that are actually obsolete, accounts receivable, etc.

The unity of the balance sheet means drawing up a balance sheet according to the unified principles of accounting and evaluation, i.e., the use in all structural divisions of the enterprise and industries of a single nomenclature of accounting accounts, the same content of accounts, their correspondence, etc.

The continuity of the balance is expressed in the fact that each subsequent balance should follow from the previous balance. For example, last year's closing balance sheet (year-end data) should be the opening balance sheet of the reporting year (year-end data), since the reporting year is a continuation of the previous year.

The clarity of the balance is its availability for understanding by the persons who make it up, and by all those who read and analyze it. So, for example, in Uzbekistan, in order to make the balance clear and understandable, the details and titles of articles are presented in two languages (Uzbek and Russian).

Forms of financial statements are filled out after:

- ✓ All business transactions for the year are reflected in accordance with the accounting rules;
- ✓ The inventory confirmed the presence of assets and liabilities of the organization;
- ✓ Turnovers were formed on synthetic and analytical accounts;
- ✓ The calculated account balances reflect the real financial condition of the organization.

In the liabilities of the balance sheet, sections and articles are arranged according to the degree of repayment. Owners (shareholders, entrepreneurs and private owners), unlike creditors, have only the right to a residual claim, since when an organization is liquidated, capital owners get only what remains after payments on the organization's obligations.

The obligations of the organization in the balance sheet are arranged according to the urgency of their return. Liabilities balance - a system of indicators that reflects the



sources of formation and targeted use of enterprise funds, grouped into qualitatively homogeneous groups.

The liability of the balance sheet determines the dependence of the enterprise on individuals and legal entities. The liability of the balance consists, as already noted, of three sections, the numbering of which carries the continuation of the numbering of the asset of the balance.

The modern development of information technologies and their widespread use in economic practice make it possible to solve this problem by automating, programming or using modern accounting software products.

Of course, a computer program will not replace an accountant, but will save his time and effort by automating routine operations, find arithmetic errors in accounting and reporting, assess the current financial situation of the enterprise and its prospects.

Thus, the automation and programming of accounting is designed to solve the issues of optimizing the technological processes of information processing with the involvement of modern information technologies.

In Uzbekistan, since January 1, 2015, all business entities submit tax and financial statements in electronic form, which means that they must form it in the same way.

In our opinion, accounting automation is so important that attention is paid to it not only by those who are directly interested in making their work easier, that is, the accountants themselves, or expanding the sales market for their products, that is, software development companies, but also at the government level.

The development of the country's economy as a whole is based on the sustainable development of each business entity in particular. As experience shows, the stability and integrity of the organizational system are preserved in the long term with sufficient flexibility of the subject of management and the balance of its strategic development. The strategic sustainability of the enterprise is ensured by the implementation of a set of management decisions aimed at creating, developing and maintaining a long-term competitive advantage in a dynamic consumer market. Under these conditions, a computer program or accounting software products will not replace an accountant, but will save his time and effort.

In addition, Uzbekistan is an economy where market relations are still being formed. Business is actively developing, more and more new business entities are appearing.

In the socio-economic development of Uzbekistan, the priority areas are small businesses. To date, more than 30 thousand small businesses have opened their own business, and the total number of operating enterprises in this sector has amounted to more than 200 thousand. The growth in the number of newly created small businesses has a positive trend.





After all, it is known that fines follow for incorrectly entered data and for late submission of reports. At the same time, it does not matter at all whether the information was distorted intentionally or accidentally. The total amount of fines imposed as a result of tax audits are figures with a large number of zeros, which sometimes lead to the bankruptcy of enterprises.

The transfer of the main share of the work of accountants to a software product leads to an increase in efficiency and an improvement in the quality of accounting, which will inevitably affect the productivity of the enterprise and its financial condition, the importance of which can hardly be overestimated in a rapidly changing market economy.

Literature

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