



CALCULATION OF LOGISTICS COSTS OF MATERIALS SUPPLY PROCESS

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ABSTRACT

Managing companies is a complex process. Even more significant is effective management. Management of materials and their supply system is the main task of modern management. The role of accounting in the correct organization of the material supply system, their uninterrupted supply is great. The information obtained through accounting allows you to manage the supply chain and improve efficiency. The article compares Uzbek and international accounting practices and examines the logistics costs of procurement.

KEYWORDS: *Costs, Accounting, Logistics, Logistics Costs, Supply System, Management Report, Total Costs, Finished Product.*

INTRODUCTION

Costs are the factors of production required to produce and sell a product, provide services, and monetary costs, that is, all costs incurred to produce and sell a company.

According to the national accounting system, the price of a product (work, service) includes.

- raw materials and material costs;
- salary expenses;
- deductions from wages (single social payment);
- depreciation of fixed assets;
- Other expenses.

Depending on what costs are included in the cost of the product in the local economic literature, the following types of product value are determined:

- Unit cost - includes direct costs and total production costs and describes the unit costs for production;
- Cost of production or sale - consists of total costs and reflects the costs of the company associated with the production of the product;
- Total costs - include production costs, sales and delivery costs. This figure includes the total

costs of the company associated with the production and sale of the product.

Logistics costs are part of the cost of the finished product and have a significant impact on its selling price. However, little attention is paid to accounting for this group of costs in the enterprise accounting system. There is no systematic approach to identifying, analyzing and optimizing logistics costs. The reason for this is a mistake in the organization of the internal system of accounting.

In practice, the classification of costs included in the cost of the product does not focus on logistics costs. The process of accounting for individual components of expenses is covered in the National Accounting Standards (NAS). This makes it difficult to allocate and account for costs.

In international practice, the list of cost items taken into account is much wider (for example, it is possible to order, the distribution of costs for household services), but within our current accounting system, such a division is very difficult.

In the system of ensuring the competitiveness of the company and its products, the issues of division and grouping of logistics costs are central to the chain of problems related to the effective regulation of logistics costs. In the management reporting system, it is possible to regulate them effectively through the methodology of accurate cost analysis. The current cost classification adopted in accounting practice does not allow for the establishment of a systematic classification that provides objective accounting and regulation of logistics costs.

The Main Findings and Results

It should be noted that all enterprises in the supply chain must work together to achieve significant improvement in teamwork. However, cross-functional and intra-firm relationships are easier to describe than to be identified or managed in day-to-day practice. However, the local accounting system allows for the partial consolidation of most of the logistics costs. Most of the cost objects for logistics analysis and audit can be identified at the stage of primary accounting, and most of them are reflected in the total production, general and commercial costs.

The distribution of logistics costs used abroad can be adapted to national practice, which allows the transfer of accounting to international standards.

In accounting, it is advisable to group logistics costs into the following groups:

- Costs for the acquisition of material resources;
- Freight cost;
- Storage costs;
- Costs associated with logistics system management, including inventory management;
- Costs associated with losses.

Accounting can be conducted both in the IFRS-based accounting system and in International Financial Reporting Standards (IFRSs).

The following methods of calculating costs are the most common in accounting practice:

- Boiler method;
- Special method
- Parallel method (step-by-step).

These methods are widely used to account for the costs of individual links in logistics systems.

Let's take a look at the essence of the listed cost calculation methods.

1. Boiler method. The unit cost of output is the result of physically dividing the total amount of costs accumulated during the period by the volume of production. The boiler method of

calculating the cost of production is the least common in practice. This is because its information content is minimal. Accounting can provide information about how much a company spends to produce all of its products. This method is convenient only for small companies or for industries where homogeneous products are produced.

2. Special method. The method of calculating the specific production cost is a production order opened for a particular job or service. As a rule, each order is intended for a separate buyer, consumer, recipient, and the quantity of product for each order is known in advance. The actual value of the ordered goods is determined only after it is fulfilled. To determine the actual product cost each month, production orders must be issued based on the number of product units that are scheduled to be produced in a month. In the production of large products with a long technological production cycle, production orders for the product in general may not be placed. When the products are delivered to the buyer or warehouse before the end of the order, the delivered products are valued at the planned or actual cost of similar products previously produced.

The unit cost of a product is determined by dividing the amount of costs accumulated for a particular order by the number of units of product produced for that order. Thus, the main feature of the order account is to form the amount of expenses for each order, not for a specific time. Disadvantages of this method of cost accounting and product costing include the lack of operational control over the level of costs, the complexity and inconvenience of work-in-progress inventory.

3. Parallel (step-by-step) method. The method is determined by redistributing the object of parallel computing. Redistribution is the completed part of the technological process. It ends with the release of an intermediate or final product (semi-finished product or finished product). Separation of each intermediate product is carried out provided that there is a direction of its use.

Thus, the main feature of the parallel method is the formation of the amount of costs for each completed process (redistribution) or for a certain period of time. A separate account card is opened for each process to organize (redistribute) a separate accounting account on the expense account.

The unit cost of redistribution is determined by dividing the amount of costs accumulated over a period of time or during the process by the number of units of product produced at the time considered.

This method is widely used in cost accounting in logistics systems and supply chains.

Parallel accounting allows the following:

- Distribution of costs along the entire direction of movement of the material flow;
- Obtain information about the most important costs in the value chain and the nature of their interactions;
- The use of an indicator of the change in the amount of costs as a measure of the effectiveness of decisions made in the field of material flow management;
- Have a clear idea of the formation of costs associated with the execution of the order.

Traditional accounting methods, which occur at all stages of the logistics system, are aimed at determining costs by functional areas (supply, transportation, production, inventory, sales). They do not allow to highlights the costs incurred during the implementation of the process to the end, to form information about the most important costs, as well as the nature of their interaction with each other.

CONCLUSION

In world practice, direct-cost and standard-cost systems are widely used in cost management. The first is based on determining the cost by dividing the costs by constant (independent of the amount

of product produced for a given period) and variable (directly dependent on the amount of product produced). Only variable (direct) costs are taken into account when calculating the cost of a particular product, as fixed (indirect) costs are distributed over the entire list of products. According to the system, “standard cost”, the calculation of costs is based on standards, and management is based on the deviation of actual costs from the standard. These accounting systems are effective tools of modern approach to valuation and cost management. However, their practical application requires coordination with the entity’s accounting policies and tax legislation. However, these systems can be used to analyze internal costs and develop cost reduction programs.

Comparison of the objects of logistics costs in the international accounting system with the objects of logistics costs, which can be divided on the basis of IFRS, allows us to conclude that after certain changes, the experience of foreign accounting and management of logistics costs can be used in the Uzbek practice.

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