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PECULIARITIES OF ACCOUNTING FOR OWN CAPITAL IN MODERN ECONOMIC CONDITIONS

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Abstract

In this article, we will focus on the key aspects related to accounting for a company's equity in a modern economy. Our goal is to find ways to more accurately and transparently reflect equity in accordance with International Financial Reporting Standards (IFRS). The analysis shows that effective management and accounting of equity are fundamental factors ensuring financial stability, attractiveness to investors and long-term development of the company. In the era of digitalization, the emergence of complex financial instruments, the increasing role of intellectual capital and the growing requirements for reporting on sustainable development, the methodology of accounting for equity requires constant improvement. In the course of our research, we have studied in detail the processes of digitization, complex financial instruments, as well as the growing importance of intellectual capital and the impact of asset revaluation on capital. In the course of the study, reasonable conclusions were drawn and practical recommendations were developed aimed at increasing the transparency and reliability of the direct investment account. These recommendations are aimed at ensuring financial stability, improving investment attractiveness, and improving the efficiency of corporate governance.

Keywords: Own capital, own funds, accounting, international financial reporting standards (IFRS), digitalization, financial stability, investment attractiveness, intellectual capital, complex financial instruments, internal control, accounting policy.

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INTRODUCTION

In the era of economic modernization, the potential of enterprises, regardless of their form of ownership, largely depends on the size of their own capital. If an organization does not have enough funds of its own, it will not be able to constantly expand its activities and will face difficulties in competing in the market.

That is why owning your own capital and its constant increase are becoming key factors that ensure the development of any enterprise in a market economy.

Capital is one of the most difficult accounting categories. There are many different interpretations of this term, which sometimes leads to confusion and ambiguity in its understanding.

International Financial Reporting Standards (IFRS) provide a clear definition of capital, which serves as the basis for accounting for economic events and analyzing the financial situation of a company [1]. According to paragraph 49 of the Principles of Financial Reporting under IFRS, equity is the owners' share of the company's assets remaining after deducting all of its liabilities.

In today's world, where the private sector occupies an increasingly important place, effective management of private capital and its accurate accounting are becoming especially important. In an era of growing competition, developed market relations and digitalization of the economy, financial stability, investment attractiveness and long-term development of enterprises directly depend on the proper formation, composition and accounting of private capital.

Currently, much attention is being paid to the correct reflection of various components of equity, such as authorized capital, additional and reserve capital, as well as retained earnings, in accordance with the requirements of international Financial Reporting Standards (IFRS) and national accounting. This is due to the fact that this approach promotes transparency in financial reporting, which, in turn, increases the confidence of investors and creditors and allows for a real assessment of the company's performance.

However, despite the importance of accounting for equity, insufficient attention is paid to it. Many people believe that for high-quality accounting, it is enough only to reliably reflect income and expenses. However, there are a number of aspects that require direct accounting of equity. These include:

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- Revaluation of financial instruments intended for sale and retirement.
- Revaluation of fixed assets and intangible assets.
- Movement of deferred taxes related to capital;
- And other aspects.

In the modern world, the private sector is playing an increasingly important role, which makes the task of effective management of private capital and its proper accounting especially relevant. In the context of growing competition, dynamic market relations and the digital transformation of the economy, financial stability, investment attractiveness and long-term development of enterprises directly depend on how private capital is formed, structured and accounted for.

Issues related to the reflection of private capital in accounts, including authorized, additional and reserve capital, as well as retained earnings, are particularly acute. These aspects should be presented in accordance with IFRS and the requirements of national legislation [2].

Transparency of financial reporting and strengthening the trust of investors and creditors are key tasks that arise when private capital is properly reflected. In addition, it allows you to get an objective assessment of the company's performance.

In the context of economic reforms, privatization, and government support for small businesses and entrepreneurship, special attention is being paid to the proper organization of the direct investment account. A clear definition of tax obligations, the formation of a dividend policy and financial risk management are the aspects that are becoming particularly important.

Inflation, exchange rate fluctuations and unstable market conditions require constant improvement of methods for revaluation and reflection of private capital in accounts. This is becoming especially relevant in a rapidly changing economic situation.

Thus, a deep theoretical and practical study of the specifics of accounting for private capital in the modern economy, as well as the identification of existing problems and the search for effective solutions are key factors for the further development of accounting and financial management.

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LITERATURE ANALYSIS

In the works of domestic and foreign economists, the concept of "capital" can have different interpretations. In most cases, capital refers to the amount of equity, share premium, and retained earnings. However, some authors include all long-term sources of financing in this concept.

Also, the term "capital" is often used to refer to the assets of an organization, which are divided into fixed assets (long-term assets, including work in progress) and working capital (all current assets of the company) [3].

Professor L. T. Gilyarovskaya notes that capital analysis is a complex and ongoing process of collecting, classifying and using information from financial statements and accounting. It is necessary to assess the financial condition of an enterprise, identify the pace of expansion of its financial and economic activities, identify available sources of capital formation and their effective use, as well as to predict the prospects for the company's development in the capital market in the future [4].

Professor K. B. Urazov writes that the authorized capital is a set of funds that will be invested in an enterprise by its founders, as well as the total value of the issued shares at their par value [5].

In the works of American scientists, capital is considered as a set of economic resources at the disposal of an enterprise. These resources include various types of assets:

- cash, including cash and accounts receivable;
- tangible assets such as inventory, land, buildings and equipment;
- intangible assets such as patents, copyrights, and trademarks [6].

The equity is the total worth of all the assets owned by a company. It is used to acquire various assets. The equity amount can fluctuate due to financial and property transactions, as well as the outcomes of the company's operations [7].

In financial statements, a company's equity is classified into separate categories and represents the difference between the value of all the company's assets and its liabilities [8].

The legislation governing the analysis and accounting of equity includes a number of regulations, such as resolutions, laws, orders, and other documents

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that establish accounting and reporting rules. Many of these documents were designed specifically for accounting and controlling equity [9].

When analyzing equity, it is necessary to pay attention to the ratio of the coefficients of disposal and receipt. If the income ratio exceeds the retirement ratio, then we can talk about the active growth of equity in the organization. And vice versa, if there is a reverse trend. The rate of increase in equity directly depends on the profitability of sales, capital turnover and deductions for the development of production [10].

The capital of an enterprise can be formed not only at the expense of its own internal sources, but also by attracting external borrowings. The authorized (pooled) capital, additional and reserve capital, retained earnings and other reserves are taken into account as part of the organization's equity. The company's own capital, which consists of the authorized capital, accumulated capital, including additional and reserve capital, as well as retained earnings and other income, is the main source of financing [11].

Equity is the most reliable, non-refundable source of business financing and characterizes the total value of the company's funds owned by it, participating in the production process and generating profit [12].

The structure of a company's equity usually includes the following components:

1. Additional capital is the amount that is formed as a result of the revaluation of fixed assets, as well as upon receipt of retained earnings from previous years.
2. Reserve capital is a fund created to cover possible losses and unforeseen expenses.
3. The authorized capital is the first accounting object, which is formed in accordance with the chosen legal and organizational form of the company.
4. Retained earnings is the amount of profit that was not distributed among the company's participants and remained at the disposal of the company.

The most common organizational and legal forms of commercial companies are joint stock companies and limited liability companies. To obtain a certificate of state registration, it is necessary to go through the appropriate procedure in government agencies.

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RESEARCH METHODOLOGY

Both general scientific and specialized methods were used in the course of the study. The analysis and synthesis allowed us to better understand the economic essence of our own capital. The comparison method made it possible to compare accounting practices in Uzbekistan and abroad. The logical approach contributed to the study of how the components of equity are reflected in accounting. The analysis of regulatory legal acts and scientific sources helped to draw reasonable conclusions. The sources of information used were the legislation of the Republic of Uzbekistan on accounting, the requirements of international financial reporting standards (IFRS) and the work of leading economists.

RESULTS

In the modern world, corporate financial management and accounting systems face a number of new challenges. The rapid development of digital technologies, unstable markets and rising investor expectations are forcing companies to look for new approaches to presenting financial information, especially in the context of accounting for private capital.

Private capital is an important financial indicator reflecting the ownership of an enterprise. Its accurate accounting serves as the basis for assessing the company's value, analyzing its investment attractiveness, and making strategic decisions.

1. Theoretical foundations of direct investment accounting

Private equity as a financial category represents the difference between a company's assets and its liabilities. In traditional accounting, equity consists of three main components:

– Private equity;
– Revaluation reserve;
– Retained earnings (losses).

In today's world, where direct investment plays a key role, special attention is paid to compliance with International Financial Reporting Standards (IFRS). In

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particular, the standards of IAS 9 "Financial Instruments" and IAS 32 "Financial Instruments: Presentation" are of particular importance [13].

2. Peculiarities of accounting for own capital in modern economic conditions

2.1. The impact of digitalization

The development of digital technologies leads to the automation of financial reporting, which makes it possible to provide data in real time. Blockchain technologies ensure transparency and reliability of capital transactions.

2.2. Complexity of financial instruments

The proliferation of derivatives, options, convertible securities, and other complex financial instruments complicates the methodology for accounting for equity.

2.3. Intellectual capital growth

In today's world, where knowledge and skills are becoming increasingly valuable, intellectual capital plays an important role in shaping the value of a company.

In the modern world, where intellectual capital is becoming an increasingly important resource, its accounting and evaluation are becoming key to economic development [14].

In the context of a dynamically changing economy, intangible assets and intellectual capital are becoming key elements of enterprise value formation, which is fundamentally different from traditional approaches to capital accounting.

In an era when sustainability reporting is becoming increasingly important, environmental, social and managerial factors have a significant impact on the company's capital requirements, which leads to the need to include additional indicators in the equity accounting system.

The equity accounting methodology, based on international standards, includes a fair value assessment and other principles that allow for a more accurate reflection of the real value of the enterprise.

In the current economic environment, there are certain difficulties in accounting for direct investments. To overcome these difficulties, it is necessary to develop and implement new accounting methods that meet modern requirements and standards.

Thus, accounting for direct investments in accordance with international financial reporting standards is becoming an increasingly important aspect of companies' activities. This ensures transparency and completeness of information, which, in turn, facilitates informed decision-making based on accurate and objective data.

Various approaches and solutions have been developed to overcome the difficulties and increase the transparency of accounting for direct investments. Among the possible solutions are the following:

1. The introduction of a unified methodology based on international accounting standards will ensure transparency and comparability of financial statements.
2. The introduction of advanced information systems and artificial intelligence technologies significantly optimizes the process of valuation of intangible assets, which, in turn, will lead to faster and more accurate assessment of intangible assets.
3. Improving the internal control system for accounting for equity will ensure its reliability and reliability.
4. Improving the professional level of financial accounting specialists will allow them to more effectively solve complex tasks related to the valuation of intangible assets and intellectual capital.

DISCUSSION

In the context of active economic growth in the Republic of Uzbekistan, when many companies with various forms of ownership appear on the market, it is necessary to organize an accounting system and develop an effective control mechanism.

The main task of accounting is to provide information that will help effectively manage the resources invested in the company by its owners.

Equity is a key source of financial resources for the company, being formed from funds contributed by the founders. Therefore, the analysis and improvement of

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equity accounting methods in modern market conditions are becoming especially relevant.

Equity is a complex indicator reflecting the difference between a company's assets and its liabilities. It shows the owner's share of the total capital of the company.

In accordance with National Accounting Standards (NSAs), equity includes the following main components:

The authorized capital represents the funds that the founders contribute to the creation of the company.

Capital added is an increase in the value of assets as a result of their revaluation.

Reserve capital is a fund created to cover possible losses.

Retained earnings are the portion of the company's profits remaining after the payment of dividends to shareholders.

In addition, equity may include repurchased shares, targeted receipts, and reserves for future expenses and payments.

The procedure for the formation of the authorized capital is determined by the constituent documents and legislation. The contributions of the founders can be made in cash, as well as in the form of fixed assets, intangible assets or other property rights.

In non-profit organizations, the authorized capital is the amount of funds contributed by the founders. The value of the contributed property is determined by agreement between the founders or, in some cases, with the help of an appraiser.

Exchange rate difference. If the company's authorized capital is denominated in a foreign currency, the difference between the exchange rate at the time of registration and the exchange rate at the time of the actual deposit is accounted for as additional capital.

All currency items, including cash, accounts receivable and payable, as well as short-term and long-term securities, must be revalued on a monthly basis. The results of the revaluation are included in income or expenses.

Reserve capital. Reserve capital is also formed in non-profit organizations. These are funds that are created at the expense of the company's profits and can be used to cover possible losses or unforeseen expenses. The amount of reserve

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capital is determined by the charter of the organization and can be changed depending on its needs.

The reserve capital is formed by deductions from net profit until its size reaches the value specified in the charter.

The main purpose of the reserve capital is to compensate for losses reflected in the balance sheet, or to pay dividends on preferred shares in case of a shortage of profits.

The reserve capital also includes the amounts received as a result of the revaluation of long-term assets (inflation reserves) and the value of property received free of charge.

In the modern economy, accounting for equity is strictly regulated by national and international accounting standards. This ensures transparency and comparability of financial statements.

The specifics of accounting for equity include:

– mandatory revaluation of long-term assets, affecting the amount of reserve capital;

– a thorough analysis of the exchange rate difference in the formation of the authorized capital in foreign currency, reflected in the additional capital;

– detailed disclosure of information on the structure and changes of capital in specialized financial statements.

These measures are necessary to protect the interests of owners and investors, as well as to effectively manage the company's resources.

In the modern economy, accounting for equity is undergoing significant changes compared to traditional methods. Due to the rapid development of the global economy, technological innovations and international financial standards, new accounting approaches are required.

To improve the efficiency of accounting for direct investments, companies need to bring their financial statements in line with international standards, introduce modern information technologies and constantly improve the skills of their specialists.

In the future, direct investment accounting systems will become more closely interconnected, automated, and will provide real-time data. This will provide

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new opportunities for investors, managers and other participants in the process, providing them with up-to-date and reliable financial information that will become the basis for making informed decisions.

CONCLUSION

In the modern economic context, the effectiveness of equity management plays a key role in ensuring financial stability, investment attractiveness and long-term development of companies.

The analysis shows that in order to obtain accurate and comparable equity data, it is necessary to switch from traditional accounting methods to a transparent financial reporting system that meets international standards.

In the context of the digitalization of the economy, the emergence of complex financial instruments, as well as the increasing role of intellectual capital and requirements for reporting on sustainable development, the methodology of accounting for equity must be constantly improved.

The Uzbek economy also has the potential to improve the efficiency and reliability of accounting. This can be achieved through the development of theoretical and practical solutions in this area, the implementation of accounting policies in accordance with international financial Reporting Standards (IFRS), the use of modern information systems and professional development.

The results of the study show that direct investment accounting is closely related not only to accounting, but also to financial management and strategic management. Considering these aspects, we believe that the following scientific proposals and recommendations will help to more fully reveal the economic content and effectiveness of the elements of private capital:

1. Implementation of a unified methodology based on IFRS. In the field of equity accounting, it is necessary to develop uniform methodological recommendations that comply with international financial reporting standards. This will help to make the reports more transparent and internationally comparable.

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2. Deepening digital transformation. Automation of financial reporting, the use of blockchain technologies and artificial intelligence-based systems significantly accelerate and increase the accuracy and reliability of accounting processes. Modern information technologies should be actively applied in the assessment of intellectual capital and intangible assets.

3. Development of special accounting rules for complex financial instruments. Specific guidelines and standards should be established for the accounting and valuation of instruments such as derivatives, options, and convertible securities. This will help ensure transparency and reliability of financial statements, which is especially important in today's economy.

4. Improvement of the internal control system. Establishment of special rules for accounting for complex financial instruments. It is important to create clear guidelines and standards that will help account for and evaluate complex financial instruments such as derivatives, options, and convertible securities. This will ensure transparency and accuracy of financial statements.
Improvement of the internal control system. To protect the interests of the company, it is recommended to implement effective internal control and audit mechanisms. In particular, it is worth considering the possibility of using automatic registry and transaction verification systems, which will greatly simplify the control process.

5. Staff training and professional development. In order to ensure the effectiveness of the work of financial accounting and auditing specialists, as well as their readiness for changes in international financial reporting Standards (IFRS), it is necessary to organize regular training and development programs.
Special attention should be paid to the study of modern financial instruments and digital technologies used in the industry. In addition, it is necessary to ensure transparency of information for investors by providing detailed and understandable data on the capital structure, changes in assets, exchange differences and reserves. This will strengthen investor confidence and increase the attractiveness of the company in the market. The implementation of these

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Website: usajournals.org

proposals will become the basis for the modernization of accounting policy, which, in turn, will increase the financial potential of enterprises and contribute to the stable development of the national economy.

In the modern world, accounting for private capital is becoming an essential aspect contributing to ensuring financial stability and competitiveness of companies. The results of the study show that direct investment accounting needs to be adapted to the requirements of international financial reporting Standards (IFRS), actively introduce digital technologies and constantly improve methodological approaches.

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