



ACCOUNTING POLICY FOR MANAGEMENT ACCOUNTING PURPOSES.

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Annotation: This article examines the essence, significance, and practical application of accounting policy within the management accounting system. Accounting policy is analyzed as an important source of information for managerial decision-making, cost control, and improving overall business efficiency. In addition, the article identifies key problems in developing accounting policies for management accounting purposes and proposes practical solutions and recommendations for their improvement.

Keywords: management accounting, accounting policy, cost accounting, internal control, managerial decisions, financial information, efficiency.

Аннотация. В статье раскрываются сущность, значение и практическое применение учетной политики в системе управленческого учета. Учетная политика рассматривается как важный источник информации для принятия управленческих решений, контроля затрат и повышения эффективности деятельности предприятия. Также выявлены основные проблемы формирования учетной политики для целей управленческого учета и предложены практические пути их решения и совершенствования.

Ключевые слова. управленческий учет, учетная политика, учет затрат, внутренний контроль, управленческие решения, финансовая информация, эффективность

Introduction.

Management accounting serves as an essential source of information for effectively organizing, planning, and controlling a company's operations. This system provides management with prompt, accurate, and analytical data, supporting both strategic and operational decision-making processes. From this perspective, developing an accounting policy aligned with the objectives of management accounting is an integral part of corporate governance, directly influencing the company's financial stability and competitiveness.

In the modern economic environment, the expansion of production volumes, increasing resource costs, and heightened market competition have further intensified the demand for an effective management accounting system. Through accounting policy, methods for recording costs, formats for internal reporting, and analysis mechanisms are established. Therefore, when developing an accounting policy for management accounting purposes, it is essential to consider the company's specific characteristics, strategic objectives, and internal information needs.

Literature Review.

In studying accounting policy for management accounting purposes, the book *"Cost Accounting: A Managerial Emphasis"* by C. Horngren, S. Datar, and M. Rajan serves as an

important theoretical source. In this work, management accounting is interpreted as an information system that supports managerial decision-making. The authors place particular emphasis on the role of accounting policy in planning, controlling, and analyzing costs. From this source, the article draws the idea that management accounting information, unlike financial reports, should be flexible and tailored to the specific needs of the company. This approach provides a scientific basis for developing a separate accounting policy for management accounting purposes.

The book *"Management and Cost Accounting"* by C. Drury was also analyzed, where accounting policy is considered as a practical mechanism within the management accounting system. Drury elaborates on selecting cost recording methods, maintaining responsibility center accounting, and implementing budgeting systems when developing accounting policy. From this source, the article concludes that if the accounting policy is chosen incorrectly, the reliability of managerial decisions may decrease. Additionally, based on the practical examples provided by Drury, it is emphasized that accounting policy for management accounting must align with the company's strategic objectives.

Another significant source is *"Cost and Effect: Using Integrated Cost Systems"* by R.S. Kaplan and R. Cooper. This work identifies the limitations of traditional cost accounting systems and proposes the Activity-Based Costing (ABC) system. The authors demonstrate that implementing modern cost allocation methods in accounting policy can improve the accuracy and usefulness of management information. From this source, the article draws the idea that innovative approaches must be applied to accounting policy to enhance management accounting purposes. This perspective serves as a methodological foundation in the analytical section for addressing problems and solutions.

Research and methodology.

This study utilized analysis, comparison, and synthesis methods to examine the process of developing accounting policies for management accounting purposes. The research was based on local and international literature, regulatory and legal documents, as well as practical experiences from companies. The methodology was aimed at evaluating the effectiveness of accounting policies within the management accounting system and developing practical recommendations.

Analytical section.

Accounting policy for management accounting purposes must fully meet the internal information needs of the company. Practice shows that in many companies, accounting policies are developed primarily based on financial reporting requirements. As a result, management often lacks sufficient analytical information, which complicates the processes of cost analysis and strategic planning. Moreover, it becomes more difficult to evaluate resource efficiency and profitability, which negatively affects overall organizational performance.

One of the main problems is that the methods of recording costs do not fully align with the objectives of management accounting. In many companies, traditional methods are often limited to determining product cost. As a result, the ability to evaluate efficiency across activities, departments, and responsibility centers is reduced. C. Horngren and S. Datar emphasize that in a management accounting system, accounting policy must be flexible and fully support the decision-making process. This requires adapting accounting policy to both strategic and operational needs.



As a solution, it is recommended to implement Activity-Based Costing (ABC), standard costing systems, and budgeting frameworks. These methods increase the accuracy of cost analysis and provide management with the ability to make timely decisions. According to Drury, structuring accounting policy based on segments, responsibility centers, and budgeting significantly enhances organizational efficiency. At the same time, it ensures that management is supplied with accurate and reliable information.

Kaplan and Cooper advocate incorporating integrated cost systems into accounting policy. They analyze the limitations of traditional cost accounting and show that using ABC allows for more precise cost allocation and increases the reliability of managerial decisions. On this basis, accounting policy is not merely a tool for completing financial reports but a means of strategic management and improving operational efficiency.

Furthermore, when improving accounting policy, aligning it with the company's strategy and internal information needs is crucial. This enables management to make financial and operational decisions quickly and with confidence. Practice shows that implementing automated accounting systems based on digital technologies significantly enhances the effectiveness of accounting policy. Thus, accounting policy for management accounting becomes a key instrument for improving organizational efficiency, profitability, and optimal use of resources.

Overall, developing and improving accounting policy for management accounting purposes plays a critical role in enhancing operational efficiency, supporting strategic decision-making, and strengthening competitiveness. Therefore, accounting policy should be considered a priority in corporate management and integrated with modern methods and practical experience.

Conclusion.

Accounting policy for management accounting purposes is considered a key tool for effectively managing a company's operations. A properly developed accounting policy provides management with reliable, timely, and analytical information, significantly improving cost control, efficient use of resources, and the process of making strategic decisions. At the same time, an accounting policy aligned with the objectives of management accounting enhances organizational efficiency and profitability.

Furthermore, when developing accounting policy, it is essential to integrate scientific approaches, practical experience, and modern management methods. Implementing Activity-Based Costing (ABC), standard costing systems, and budgeting mechanisms within the accounting policy facilitates strategic decision-making and strengthens internal control. Therefore, accounting policy for management accounting should be regarded as a priority in corporate management.

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