

Other Comprehensive Income, Accounting Structure and Their Improvement

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Abstract

The implementation of international financial reporting standards (IFRS) in our country is one of the important issues on the agenda. One of the most important tasks of the country today is the application of international practice in the accounting system for the recognition of income and expenses, which are the main indicators of financial accounting. This article describes and discloses the concept of other generalized income, and is also of great importance in the accounting system. Studying and improving the methodological side of this process today also remains one of the most important issues today. This article also discusses income that is not included in the income statements such as the definition, composition, recognition, measurement and accounting of other comprehensive income.

Keywords: Income, income derived from ordinary activities, income not related to ordinary activities (other income), revenue, benefit, conceptual rules, profit or loss, other comprehensive income, expense, reserve, reclassification, adjustment, international financial reporting standards.

Organization of settlements in accordance with the requirements of the standard, the presentation of transparent information on income and profit in the financial statements, to international investors in tools that are understandable to them, i.e. the most tried and effective methods and techniques, recognition and evaluation criteria, the company's income using international rules and principles, introduction of a methodology for providing reliable, relevant and comparable financial information on profits and their distribution and share in profits for all countries, is a particularly pressing issue, especially for countries applying IFRSs for the first time.

Based on the requirements of international standards to ensure the effective implementation of these tasks requires research, to radically improve the methodology of income and profit accounting, reporting on financial results in accordance with the requirements of foreign investors and other information users. Therefore, it is important to describe income and profit indicators as an element of financial reporting and to identify their components.¹

The transition to international standards requires the division of income into two categories:

1. Income reflected in the income statement;

¹ ACCOUNTING FOR RECOGNITION OF ENTERPRISES INCOME (ACCOUNTS) IN ACCOUNTING WITH INTERNATIONAL STANDARDS AND "FINANCIAL REPORTING CONCEPTUAL FUNDAMENTALS" International Consortium on Academic, Trends on Education and Science Hosted from London, England Eshpulatova Zaynab April 3rd -4th 2021
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2. Other generated income that is not reflected in the income statement

S.N. Tashnazarov calls other comprehensive income, gives it the following definition: "Other income includes items of income and expenses (including adjustments to reclassification), which are not recognized in profit or loss, but are required and allowed in other IFRS."²

In the ASSA Finance and Business Administration Diploma Textbook, "Other Gross Income - Including income and expenses, which are not recognized in profit or loss (ie, they are recognized in reserves rather than in profit or loss for the period.)

Irina Zavalishina notes that other aggregate income is reflected in the statement of changes in equity: " Other comprehensive income (PSD) are items of income and expense that were not previously recognized in profit or loss and are recognized in the statement of changes in equity"

ASSA lecturer Elena Vakaryuk said, "Changes related to other non-core activities of the company, which occur as a result of different revaluations of certain items in accordance with the requirements of different IFRSs, are reflected in other general income.

Emphasizes the importance of the approach in recognizing Other comprehensive income in sources. The main criterion is that: "There are a number of views, the most common of which is that all other unrealized income and expenses are included in other general income, ie income that is not ready for cash flow at any time during the company's operations. For example, a revaluation of a production building (i.e., an item of property, plant and equipment) is unlikely to be carried out in the next period, which is expected during the company's operations. A revaluation of such instruments is an unrealized gain that is included in other comprehensive income. On the other hand, a change in the fair value of a leased building (classified as an investment property) is the realized income that is reflected in the income statement. Why ?, because investment property can be sold at any time in its accuracy, when the company has decided that the investment objectives have been achieved and the building can be sold. investment property is more likely to become cash flows in the foreseeable future.»³

The definitions given in the above normative-legal documents as well as by the scholars have basically the same meaning, revealing the features of other generalized incomes. summarizing these definitions, we define other generalized income as follows: **Other comprehensive income it** is a part of the total income of the enterprise, including items of income and expenses, unrealized income that is not reflected in profit or loss, reflected in the statement of changes in equity and their composition, accounting are provided for, allowed in a separate IFRS.

A number of other characteristics of other comprehensive income arise from this definition. Firstly, it is income and expenses. However, profits and losses, including net profit, are not taken into account. For this reason, in many cases it is not even subject to income tax. Other comprehensive income is an integral part of the total gross income of the enterprise. It can also be expressed by the formula:

² С.Н. Ташназаров. Молиявий ҳисоботнинг халқаро стандартлари: Олий ўқув юртлари магистратура мутахассисликлари учун дарслик. – Тошкент: "IQTISOD-MOLIYA", 2019. – 584-б. <https://www.academia.edu>. 104-б.

³ Прочий совокупный доход [ПСД] <https://inflexio.ru/glossary/prochij-sovokupnyj-doxod/>

Total comprehensive income =

Benefits and harms+ Other comprehensive income

As a result of the above research, we can draw the following conclusions: **Firstly**, other comprehensive income included in income are unrealized income. For example, as in the example above, income from the revaluation of property, plant and equipment is unrealized income. Revaluation of property, plant and equipment increases their value, but this does not yet imply realization. The company does not have information or plans for when it will sell these assets in the future.

Secondly, profits and losses are reflected in the statement of changes in equity under the item 'retained earnings', while other aggregate income is reflected in the accounts that account for these gains in the statement of changes in equity in the total amount or in other general income items in the manner prescribed by the accounting policy.

Thirdly, other income information is extremely useful information for managers and other decision makers. Therefore, international standards require that information users provide detailed and reliable information about other generalized income.

Fourthly, the concept of other comprehensive income has not been used in our practice to date. In 2021, companies that are transitioning to international standards will definitely have to reflect in their reports. Given the importance of these indicators for enterprises operating on the basis of our national standards, we consider it appropriate to make appropriate changes to our national standards.

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