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Calculation of the value of inventories involved in the creation of intangible assets in the accounting system of the Republic of Uzbekistan

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Abstract: This article describes the aspects of production and sale of tangible assets used in the creation of intangible assets in business entities, the identified cost of the relevant unit used in the production and sale of these tangible assets, AVECO, FIFO, LIFO, periodic accounting process, continuous accounting process, valuation, variable (slippery) valuation, FEFO, HIFO, LOFO, permanent revaluation, detailed situational analysis of fixed valuation methods, as well as national, Russian and international practices of valuation of Inventories remaining in the warehouses of the business entity and their combination - analysis , conclusions and recommendations.And also the termination of the use of the LIFO method in world practice and its reasons were studied.

Keywords:AVECO,continuous (continuous) accounting process, FEFO,FIFO,fixed price valuation, HIFO,identified unit cost, intangible assets, inventories, LIFO,LOFO,periodic accounting process, permanent revaluation,transportation costs, weighted valuation.

I. INTRODUCTION.

Since the independence of the Republic, a number of normative and legal documents on the proper functioning of the accounting system in business entities and the transition to international accounting standards have been developed and improved. All of this, of course, aims to give foreign investors a clear idea of the Uzbek system of accounting and further strengthen mutually beneficial cooperation, as well as to equalize with the world system of accounting through the transition of our national accounting system to the international system of accounting. In particular, in the Resolution of the President of the Republic of Uzbekistan "On additional measures for the transition to international financial reporting standards":"From January 1, 2021, joint-stock companies, commercial banks, insurance companies and legal entities included in the category of large taxpayers will organize accounting on the basis of international financial reporting standards and from the end of 2021 will prepare financial statements on the basis of international financial reporting standards," he mentioned [1].

In addition, President Sh.M. Mirzriyoevsaid in his address to the Upper house of the Republic of Uzbekistan, "... in 2020 it is necessary to complete the preparation of financial statements on the basis of international standards, recalculation of reserves, the introduction of corporate transparency"[2]. It is obvious that the rapid and complete transition of our national accounting system to the system of international financial reporting standards, the completion of issues of increasing transparency and accuracy in recalculating the cost of Inventories - is one of the most pressing issues in Uzbekistan today. We consider these issues one by one in the process of applying the identified unit cost, AVECO, FIFO and LIFO methods based on methods of continuous, periodic accounting processes and other methods and ways to determine the value of Inventories involved in the creation of intangible assets.

II. LITERATURE REVIEW

In accordance with paragraph 12 of the National Accounting Standard of the Republic of Uzbekistan No. 4 "Inventories", the assessment of Inventories in the Republic of Uzbekistan is carried out at the lowest of the following two values:

- cost on the balance sheet date (purchase price or production cost);
- the net realizable value at the balance sheet date [3].

In the Russian Federation, in 2001, the Regulation of Accounting No. 5/01 "Accounting for Inventories" was approved[4]. This Regulation will expire on January 1, 2021 by order of the Ministry of Finance of the

Russian Federation [5]. In accordance with paragraph 5 of the current Regulation of Accounting No. 5/01 "Accounting for Inventories", the fact that Inventories of material production are included in the accounting at their actual cost, although at the end of the economic cycle inventory there is no information on how the reserves are valued by selecting the lowest of the values, such as the net realizable value or the carrying amount. Although it is mentioned in Article 17 of the Law of the Republic of Uzbekistan "On Accounting", the Federal Law of the Russian Federation "On Accounting" does not contain articles and information on this. [6; 7]

It is obvious that the system of accounting policy of Uzbekistan is developing and improving a clear legal framework for reducing the cost of goods (goods, works or services), increasing taxable profits, as well as increasing net profits.

Here is another analysis. In accordance with paragraph 62 of the National Accounting Standard of the Republic of Uzbekistan No. 4 "Inventories", the balance of Inventories in the Republic of Uzbekistan and the value of outgoing Inventories is determined by one of the following methods:

1. By the identified cost of the relevant unit;
2. By average weighted value (AVECO);
3. By Inventories at the time of acquisition at cost of initial reserves (FIFO).[3]

Comparing the situation with the accounting system of the Russian Federation, in accordance with paragraph 16 of the Regulation of Accounting No. 5/01 of June 9, 2001 "Accounting for Inventories", the cost of production of Inventories in the Russian Federation (taking into account the selling price) except for the goods to be purchased) and otherwise written off, their price is determined by one of the following methods:

1. By the identified cost of the relevant unit;
2. By average weighted value (AVECO);
3. By Inventories at the time of acquisition at cost of initial reserves (FIFO).

The LIFO method 4 has been discontinued since January 1, 2008 [8].

It should be noted that in accordance with the Accounting Regulation No. 5/01 of June 9, 2001 of the Russian Federation "Accounting for Inventories", the National Accounting Standard No. 4 of the Republic of Uzbekistan "Inventories" otherwise, there is no information on the identified cost of the relevant unit, the status of the case and the possibility of using the AVECO and FIFO methods. In addition, detailed analytical examples and questions on the identified unit cost, AVECO, FIFO and LIFO methods, periodic calculation, continuous accounting and other methods and methods are less common in the literature published in Uzbekistan than in the literature published in the Russian Federation.

There is a concept of intangible assets in the national and international accounting system, which we define as intangible assets [9]. But if we interpret it in a specific situation, let's say that the enterprise uses disks to produce 1 C software or another software product, which is common in practice today, i.e. it enters production as material and periodically or permanently stores residual reserves according to its adopted accounting policy. continuous) step-by-step reflection processes in accounting and other methods. In this case, the importance of using the method of periodic accounting and the methods of continuous accounting is invaluable. The method of continuous calculation process is called in practice the standard (simple) method, and the method of periodic calculation process is also called modified or sliding method. In these circumstances, the entity incurs costs for the tangible assets (for the disc). On this basis, we consider the identified unit cost method of AVCO, FIFO and LIFO, which is used in the international calculation of the value of Inventories involved in production, one by one with examples on a conditional basis.

III. RESEARCH METHODOLOGY

The research methodology on the topic "Calculation of the cost of materials involved in the creation of intangible assets" includes a number of methods, including: the identified unit cost, AVECO, FIFO, LIFO, periodic accounting process, continuous (continuous) accounting process, weighted valuation, variable (slippery) valuation, FEFO, HIFO, LOFO, permanent revaluation, fixed price valuation, and analysis and synthesis.

IV. ANALYSIS AND DISCUSSION OF RESULTS

1. The method of identifying the cost of the relevant unit (hereinafter –ICORU). The ICORU method is used to keep track of materials in a specific order (e.g., valuables) and to keep Inventories that cannot be replaced in a simple way. In this method, depending on which product you include in the cost, in contrast to the FIFO, LIFO, AVECO methods, inventory is expended from the warehouse at the cost of the product you include in the cost. Typically, this method is used in enterprises with a single product range or a small product range. This method is also used in jewelry outlets. In this case, the price of each of our imported

products will be clear. We made a definite product, say a ring jewelry. In this case, if we sell the ring, we will spend the cost of the ring.

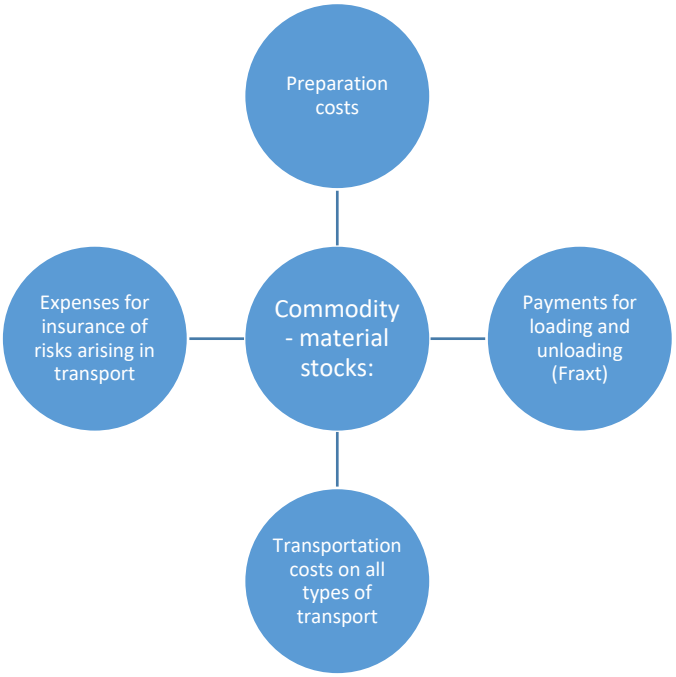
There are 2 options for spending inventories on the ICORU method in the international account, which are:

1-variant. In this option 1, the cost includes all costs for the purchase of Inventories, more precisely, all transport and procurement costs.

Transportation and procurement costs (hereinafter –TPC) are the direct costs associated with the preparation of Inventories and their delivery to the current location or place of use.

TPC includes:

Ficture 1[1]



** Paragraph 6 of paragraph 15 of GAAP 4 "Inventories" of 30 June 2020. Registered with the Ministry of Justice of the Republic of Uzbekistan on June 30, 2020 under No. 3259.*

Table 1

The duration of the month in which the disc product is received as material for the production of intangible assets[2]

S/n	Date of purchase of disc products	Unit of measurement	Quantity	The cost of one disk is in soums	Transportation and procurement costs	Total amount of expenses, in soums	The cost of one disk is in soums
1	*2*	*3*	*4*	*5*	*6*	*7 (4*5+6)*	*8 (7/4)*
Starting balance as of January 1:		**One**	**2 500**	**1 350**	**x**	**3 375 000**	**1 350**
	January 2	One	3 000	1 400	45 000	4 245 000	1 415
	January 15	One	5 000	1 470	45 000	7 395 000	1 479
	January 30	One	2 000	1 500	45 000	3 045 000	1 522,5
Total available reserves:		**x**	**12 500**	**x**	**135 000**	**18 0 60 000**	**x**

During the month, a total of 8,500 discs were sent to production in the following quantities:

[1]Formed by the author

[2]Formed by the author

- 2500 pieces from the initial balance as of January 1;
- 3,000 pieces from the product received in the 1st batch on 2 January;
- 3,000 of the product received in the 2nd batch on 15 January.

Table 2

Calculation of the cost of production of only the relevant Inventories by including all TPC in the same batch in the cost of production[3]

Debit	Credit	Sum
2010 - "Main production" account	**Account 1020 - "Purchased semi-finished products and components"**	**12 057 000** (2500*1350+3000*1415+3000*1479)

In accordance with paragraph 2 of paragraph 93 of the National Accounting Standard of the Republic of Uzbekistan No. 21 (IFRS 21), components and special equipment purchased from abroad by research and development organizations for scientific and experimental work on research and development topics , tools, fixtures and other valuables are recorded in account 1020 "Purchased semi-finished products and components" [10]. This means that the manufacturers of 1C software products import disc products used in the production - as components, special equipment, tools, devices purchased from abroad for scientific and experimental work, and its synthetic and analytical account 1020 - "Purchased semi-finished products and components" in items' account.

2-variant. Option 2 is a simplified option, in which the value of Inventories is included in the cost at the same time as the contract price, while the TPC is directed to the cost in proportion to the cost of the product expended. The method used to account for TPC is reflected in the entity's accounting policies.

Table 3

The duration of the month in which the disc product is received as material for the production of intangible assets[4]

S/n	Date of purchase of disc products	Unit of measurement	Quantity	The cost of one disk is in soums	Transport and training costs	Total amount of expenses, in soums	The cost of one disk is in soums
1	*2*	*3*	*4*	*5*	*6*	*7 (4*5)*	*8 (7/4)*
Starting balance as of January 1:		**One**	**2 500**	**1 350**	**x**	**3 375 000**	**1 350**
	January 2	One	3 000	1 400	50 000	4 200 000	1 400
	January 15	One	5 000	1 470	52 000	7 350 000	1 470
	January 30	One	2 000	1 500	55 000	3 000 000	1 500
Total available reserves:		**x**	**12 500**	**x**	**202 000**	**17 925 000**	**x**

It should also be noted that in this method we can study the situation of spending a disk product that is exactly usable. In today's market economy, the number of suppliers of goods, works and services to consumers and producers is very large and the range of products of the same type is also diverse, but not all marketed goods, works and services can provide a full quality guarantee 100%. Income from goods (works and services) through regular quality control is not always successful.

Now, based on the above, let's say that during the month, a total of 8,500 disks were sent to production in the following quantities:

- 2500 pieces from the initial balance as of January 1;

[3]Formed by the author

[4] Formed by the author

- 2500 pieces of products received in the 1st batch on January 2;
- 3,500 units of the product received in the 2nd batch on 15 January.

Table 4

Calculation of inclusion of TPC in the cost of production in proportion to the volume of Inventories spent in the same batch[5]

S/n	The content of economic transactions	Debit	Credit	Sum
	Proper material costs were deducted from product production	2010 - "Main production" account	Account 1020 - "Purchased semi-finished products and components"	12 020 000 (2500*1350+2500*1400+3500*1470)
	Write-off of services provided by ancillary production in the process of preparation and delivery of Inventories	1510- "Preparation and procurement of materials"	2310- “Auxiliary production”	147 000 (45000+50000+52000)
	Inclusion of TPC in the cost of materials	Account 1020 - "Purchased semi-finished products and components"	1510- "Preparation and procurement of materials"	147 000 (45000+50000+52000)
	At the end of the month, the actual cost exceeds the book value	1610- Account "Differences in the cost of materials"	Account 1020 - "Purchased semi-finished products and components"	118 387,94 (((45000+50000+52000)/(3375000+ 4200000+7350000))*12020000)
	The excess difference, which was higher than the book value of the materials, was written off to the principal production in the respective shares	2010 - "Main production" account	1610- Account "Differences in the cost of materials"	118 387,94 (((45000+50000+52000)/(3375000+ 4200000+7350000))*12020000)

The origin of materials may be reflected using accounts 1510 "Preparation and purchase of materials" and 1610 "Differences in the cost of materials" (if this is specified in the accounting policy of the enterprise) or without the use of these accounts.

[5] Formed by the author as a result of research

When accounting for materials at book value, the amount and percentage of the difference between the value of the stated cost and the actual cost are calculated on a monthly basis. Differences are recorded in account 1610, "Differences in the cost of materials."
1610- The difference between the actual cost of tangible assets and the estimated value of the accumulated material value in the account "Differences in the cost of materials" is written off in proportion to the carrying amount of materials debited to the accounts, taking into account production costs, operating costs and other related costs.
In Table 4, when the actual cost of tangible assets received is higher than the carrying amount, the excess difference is credited to the main production account 1610 "Differences in the cost of materials" and thus closes the account 1610 "Differences in the cost of materials" (5-accounting process).
Analyzing the data in Tables 3-4 above, we obtain the following conclusions and conclusions:

Table 5[6]

S/m	The content of costs of business processes	The amount of costs	The weight of costs
	The total amount of expenses incurred by January 15th	14 925 000 (3375000 + 4200000 + 7350000)	100,0 %
	Hence the cost of Inventories allocated for production	12 020 000 (2500*1350+2500*1400+3500*1470)	80,54 % (2/1*100; яъни 12020000 / 14925000*100)
	Total TPC amount by January 15th	147 000 (45000+50000+52000)	100,0%
	Of this, the amount of TPC spent on production in the share account	118 387,94 (((45000+50000+52000) / (3375000+4200000+7350000))* 12020000)	80,54 % (4/3*100; яъни 118387,94 / 147000*100)

From the above, it can be seen that the share of the amount of Inventories allocated for production from the amount of available Inventories is equal to the weight of the amount of TPC spent on production from January 15, ie 80.54%. This means that the remaining 19.46% (100.0% - 80.54%) of TPCInventories will be spent in equal shares, depending on the cost of production.
The main advantage of the ICORU method is that the cost of materials used in the production of this method is determined by their real value. This method can be used in situations where it is possible to determine exactly from which batch the materials are consumed.
This ICORU method can also be analyzed analytically using the cost-effective methods for the production of Inventories in a periodic and continuous accounting system. Given that our calculations should not be complicated, we will examine the application of periodic calculation and continuous calculation methods in the following AVECO, FIFO and LIFO analytical calculations.
2. AVECO - the method of weighted average value (Average Cost, ie from the Russian - means *средние издержки*, and from the Uzbek - means the *o'rtaja harajatlar*).
In this method, Inventories are valued at the average value of all available reserves during the period.
Here are some examples of this method:

Table 6

The duration of the month in which the disc product is received as material for the production of intangible assets[7]

S/n	Date of purchase of disc products	Unit of measurement	Quantity	Costs per disk, in soums	Total amount of expenses, in soums
Starting balance as of January 1:		**One**	**2500**	**1350**	**3 375 000**
	January 2	One	3 000	1 400	4 200 000

[6] Formed by the author as a result of research
[7] Formed by the author

	January 15	One	5 000	1 470	7 350 000
	January 30	One	2 000	1 500	3 000 000
Total available reserves:		**X**	**12 500**	**x**	**17 925 000**

Based on Table 6 above, we can determine the weighted average value per unit of product, namely:

17,925,000 / 12,500 = 1,434 soums.

The above calculation of the value of 1434 soums belongs to the option of determining **the average monthly real cost** using the weighted average cost method (option 1). In this option, the calculation is also called **the weighted valuation** option.

The next option (option 2) is a variable (slippery) valuation option, in which the cost of Inventories is determined at the time of production costs. More precisely, in this option, the average estimate includes all quantities and values for the period from the beginning of the month to the time of expenditure of Inventories, and the weighted average value is determined in accordance with this procedure.

We also consider it expedient to study the above situation on the basis of periodic and continuous calculation process methods.

We first consider this situation on the basis of **the method of periodic accounting**. Suppose we have a balance of 4,000 units at the end of the reporting period. In this case, the residual value is:

4000*1434 = 5 736 000 soums.

Based on the above, we get the following results:

Table 7

Calculation of the average weighted value of materials for production[8]

In soums

S/n	Material movement	Value
	Total available material stock	17 925 000
	deduction: the value of Inventories at the end of the period	5 736 000
	Cost of materials involved in production: Debit: 2010 - "Main production" account; Credit: 1020 - "Purchased semi-finished products and components" account	12 189 000

That is: 17,925,000 - 5,736,000 = 12,189,000.

In the method of continuous calculation process, this situation looks like this:

8,500 disc products were used in production. We calculate the value of the spent disk in the AVECO method according to the method of continuous (continuous) calculation process. Based on the data in Table 6, we can determine the average weighted value for a unit product:

17,925,000 / 12,500 = 1,434 soums.

We multiply the average weighted value per unit of product by the amount of disk product spent on production: 1434 * 8500 = 12189000 soums.

It is clear from the above analytical calculations that the cost of disks (materials) spent on production in both the method of continuous accounting and the method of periodic accounting was the same, ie 12189000 soums.

3.The method of determining the appraised value of Inventories at the first purchase price (FIFO - First In First Out, meaning in Russian - "первым пришёл - первым обслужен", and in Uzbek - "came first - first served").

This method assumes that the reserves are transferred to production at the purchase price. At the end of the period, the cost of Inventories is measured at the cost of Inventories acquired in the last period. The product produced is linked to the price purchased long ago. This is why the FIFO method is commonly referred to as the “Conveyor” or “Natural Queuing” method.

In world practice, there are two ways to determine the cost using the FIFO method.

The first way: Inventories are first spent on the value of the first batch. If the amount of Inventories to be spent is more than the 1st batch, then the Inventories will be spent from the 2nd batch.

Balance of Inventories = The value of spent Inventories is deducted from the total amount of Inventories.

The second way: At the end of the month, the balance of Inventories is estimated by the value of Inventories in the last batch.

[8] Formed by the author

Now, in the second way, we will study the determination of the cost of Inventories by the FIFO method using the methods of periodic and continuous accounting processes.
When we perform calculations **according to the periodic calculation method** in the FIFO method, let us assume that at the end of the period, the balance of our available reserves is equal to 4000 units of product, as shown in the analytical calculation data in Table 6.
According to the data in Table 6 above, we perform the following calculations in reverse order:

Table 8

Determining the value of Inventories at the end of the period when performing calculations using the FIFO method[9]

S/n	Date of purchase of one type of material	Unit of measurement	Quantity	Costs per unit of material, in soums	Total amount of expenses, in soums
	January 30	One	2 000	1 500	3 000 000
	January 15	One	2 000	1 470	2 940 000
Total available reserves:		**X**	**4 000**	**x**	**5 940 000**

Based on the data in Table 8, we determine the value of materials involved in production, based on the following calculations by the FIFO method:

Table 9

Calculation of the cost of materials for production at the first purchase price (FIFO method)[10]

In soums

S/n	Material movement	Value
	Total available material stock	17 925 000
	deduction: the value of Inventories at the end of the period	5 940 000
	Cost of materials involved in production: Debit: 2010 - "Main production" account; Credit: 1020 - "Purchased semi-finished products and components" account	11 985 000

In the method of continuous (standard) accounting process, this situation is as follows:
8,500 disc products were used in production. We calculate the output disk product based on the data in Table 6 in the FIFO method according to the continuous (continuous, standard) calculation process method:
- 2500 pieces from the balance at the beginning of the month (2500 * 1350 = 3375000);
- 3000 units from the first batch of products received on January 2 (3000*1400 = 4200000 soums);
- 3000 pieces from the second batch of products received on January 15 (3000*1470 = 4410000 soums).

Total: 3375000+4200000+4410000= 11985000 soums.

From the above analytical data, it can be seen that the value of disks (materials) involved in the production of both the method of continuous accounting and the method of periodic accounting was the same, ie 11985000 soums.
The practice of valuing Inventories using the above FIFO method is widely used mainly in industrial enterprises, logistics firms and wholesalers. It is useless to use the FIFO method in retail trade. This is

[9] Formed by the author
[10] Formed by the author

because in the accounting of these enterprises it is usually not possible to form a cost for certain types of goods at a certain price.

4.The method of determining the appraised value of Inventories at the last purchase price (LIFO - Last In First Out, meaning in Russian - " *последним пришёл - первым обслужен*", and in Uzbek - "last came - first served").

Although the use of this method has been discontinued in practice (including: in the Russian Federation since 2008), we use this method to compare with other methods and to obtain clear conclusions and recommendations.

This method assumes that stocks are transferred to production at the last purchase price. At the end of the period, the cost of Inventories is measured at the cost of Inventories acquired during the first purchase period.

There are two ways to determine the cost of Inventories by the LIFO method in the world practice.

The first way: Inventories are first deducted at the value of the last batch. If the amount of Inventories to be spent is greater than the amount of the last batch, then the Inventories will be expended from the party that is one before the last, and so on.

At the end of the month, the value of Inventories deducted from the total amount of Inventories, taking into account the balance of Inventories, including the initial balance.

The second way: At the end of the month, the balance of Inventories is estimated by the value of Inventories in the 1st batch. Now, in the second way, we will study the determination of the cost of Inventories by the LIFO method using the methods of periodic and continuous accounting processes.

Suppose that when we perform calculations using the LIFO method, at the end of the period, the balance of reserves we have is equal to 4000 units of product.

According to the data in Table 6 above, we perform the calculations in the following sequence:

Table 10

Determining the value of Inventories at the end of the period when performing calculations using the LIFO method[11]

S/n	Date of purchase of one type of material	Unit of measurement	Quantity	Costs per unit of material, in soums	Total amount of expenses, in soums
Balance as of January 1:		**One**	**2 500**	**1 350**	**3 375 000**
	January 2	One	1 500	1 400	2 100 000
Total available reserves:		**x**	**4 000**	**x**	**5 475 000**

Based on the data in Table 10, we determine the value of materials involved in production on the basis of the following calculations by the LIFO method:

Table 11
Calculation of the cost of materials for production at the last purchase price (LIFO method)[12]
In soums

S/n	Material movement	Value
	Total available material stock	17 925 000
	deduction: the value of Inventories at the end of the period	5 475 000
	Cost of materials involved in production: Debit: 2010 - "Main production" account; Credit: 1020-"Purchased semi-finished products and components" account.	12 450 000

In the method of continuous (continuous, standard) accounting process, this situation is as follows:

8,500 discs were used in production. We calculate the value of the spent disk according to the data of Table 6 in the LIFO method according to the method of continuous (continuous, standard) calculation process.

- 2000 pieces of products received on January 30, 3rd batch (2000 * 1500 = 3000000 soums);
- 5000 pieces of products received on January 15, 2nd batch (5000 * 1470 = 7350000 soums);

[11] Formed by the author

[12] Formed by the author

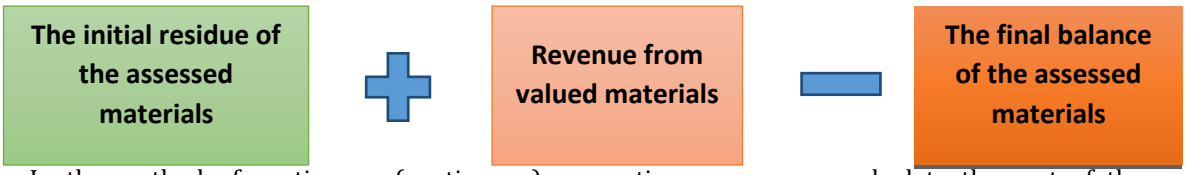
- 1500 pieces from the 1st batch of products received on January 2 (1500 * 1400 = 2100000 soums).
Total: 3000000 + 7350000 + 2100000 = 12450000 soums.
It can be seen from the above analytical calculations that the cost of disks (materials) spent on production in both the method of continuous accounting and the method of periodic accounting was the same, ie 12450000 soums.

V. CONCLUSIONS AND SUGGESTIONS

In conclusion, it is important to distinguish between the method of periodic accounting and the methods of continuous (continuous) accounting in the assessment of the transfer of materials to production. In particular, in the periodic accounting process, when a certain reporting date arrives, we determine how much of the material is transferred to production through the balance left in our warehouse, namely:

Picture 2

Sequence for determining the value of Inventories given to production by the method of periodic calculation process[13]:



In the method of continuous (continuous) accounting process, we calculate the cost of the materials we give to each production in individual and continuous units of measurement in kind and money.
It should be noted that regardless of which of the methods of periodic or continuous (continuous) accounting process is used, the cost of materials transferred to production and the value of the balance of materials remaining in stock must give the same result in both methods.
In addition to the above methods, in practice there is a method FEFO (First Expire, First out, ie from the Russian - "первым истёк, первым уходит", from the Uzbek - "the first expiration is the first expense expires" - this method is mainly logistical used by businesses.In this case, the Inventories that will be removed from the warehouse will be spent on production and sales points, first of all, depending on the shelf life, ie which Inventories have the shortest shelf life.This method can be linked to the FIFO method discussed above, but in this case all Inventories introduced in the FIFO method during the month must have the same expiration date.
So it would be wrong to look at the FEFO method as the same method as the FIFO method. Because in the FEFO method, the first costs are incurred depending on the expiration date of the product.
In addition, in international practice there is a method of HIFO (Highest In, First Out, from Russian - " с самой высокой стоимостью поступил - первым ушел"; from Uzbek - "the highest value - the first expense"), according to which Inventories that are expended in production are expended on production or sale at the highest cost of revenue, regardless of the period in which they were purchased.
Also in international practice there is a method LOFO (Lowest In, First Out, from Russian - "с самой низкой стоимостью поступил - первым ушел"; from Uzbek - "the lowest value of income, the first expense"), which is the HIFO method. it embodies the complete reverse order, i.e., the Inventories that are expended on production are expended on production at the lowest price at which these Inventories were purchased, regardless of the period in which they were purchased.In international practice, the difference between the use of HIFO and LOFO methods is focused on the financial results of the business entity.
There is also a permanent method of revaluation in international practice, which is characterized by the fact that Inventories spent on production are valued and spent on production on the basis of current market prices on the day they are spent.Differences in the assessment of Inventories are considered as a result of the activities of the enterprise's supply service.
In addition to the above, there is a method of **valuation at fixed prices**, which is used in international practice, when using this method, Inventories, regardless of the current purchase price, they are spent on production on pre-determined prices and tariffs throughout the year. Differences between the actual cost of materials and their fixed value are expensed at the end of the accounting period.
In international practice, the estimated cost (price) is defined as the weighted average cost of Inventories.
In international practice, the choice of method of assessment of Inventories depends on the specific conditions of economic activity. Typically, in an environment where the company operates with a low

[13] Formed by the author

profitability, it chooses lower values of production costs for Inventories.These methods include the LOFO method. In the conditions of high profitability of the enterprise, the HIFO method can be cited as a method of applying high cost of production of Inventories [11].
Today, the practice of using the LIFO method in world practice, including the Republic of Uzbekistan, has been suspended. This is because the use of the LIFO method reduces the tax base of the enterprise, which means that the costs reflected in the cost of production increase, and the company's margin decreases.Accordingly, profits decrease, and the selling price in the market does not always increase, because the market usually has an assortment of goods that replace the products you offer.
The ICORU method used in the Republic of Uzbekistan (the identified cost of the unit) may combine the features of the international methods classified under the above conclusion, and to change the name of the ICORU method to FEFO, HIFO, LOFO, permanent revaluation method, fixed price method - only one-sided will be true, - we believe.Because the ICORU method can combine all the other specific features of the cost of production of Inventories and it can be concluded that it is perfectly implemented.In accordance with this conclusion, it is expedient to introduce and officially start using the above-named methods, which are not recognized as separate methods in the Republic of Uzbekistan, as part of the ICORU (identified unit cost) method.
When studying the accounting for materials involved in the creation of intangible assets, it should be noted that the final product, although the asset has an intangible appearance, correctly estimates the value of material resources used in its creation in economic cycles, such as supply, production, sales and financial results. In addition, it is important to keep accurate records, and ultimately to ensure that accounts and reports are objective and transparent at the national and international levels.

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