

**ACCOUNTING AND ECONOMIC ANALYSIS: AN INTEGRATED
APPROACH TO CALCULATING FINANCIAL INDICATORS**

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Annotation. This article explores the topic "Accounting and economic analysis: an integrated approach to calculating financial indicators". The article analyzes the relationship between accounting and economic analysis, as well as their importance in the process of calculating financial indicators. Accounting can clearly indicate the financial condition of the enterprise, and economic analysis can help with in-depth analysis of this information and strategic decision-making. Through this integrated approach, more efficient and reliable results can be achieved in the calculation of financial indicators.

Keywords: finance, assets, liabilities, income, Operations, Financial Accounting, Management Accounting, qualitative analysis, quantitative analysis.

Introduction. Accounting and economic analysis - an integral part of modern finance and economics. They complement each other and play an important role in assessing the financial condition of enterprises. Accounting provides the information necessary to control and report the financial activities of the enterprise, while economic analysis helps in making strategic decisions by analyzing this information.

Accounting is the process of systematically recording, classifying and analyzing the financial activities, Assets, Liabilities, Income and expenses of organizations [1]. It helps to determine the financial condition, performance and results of an organization by collecting and storing financial information. Accounting



is an important source of information for internal and external stakeholders of the organization.

The main purpose of accounting is to correctly and accurately record financial information, as well as to provide this information to users. Through this process, organizations track their assets and liabilities, as well as their income and expenses [2]. Accounting serves as the basis for the preparation of financial statements, while these reports are an important source of information for investors, lenders, government agencies and other interested parties.

Among the basic principles of accounting are such principles as continuity, prudence, accuracy and transparency. The principle of continuity implies the continuation of the financial activities of the organization over a long period of time. The precautionary principle, on the other hand, ensures that possible risks are taken into account in financial statements. The principle of accuracy, on the other hand, implies that all information is correct and clearly recorded [3]. Transparency, on the other hand, ensures that financial information is open and understandable.

Accounting is divided into two main types: Financial Accounting and management accounting. Financial Accounting is aimed at providing the financial condition of an organization to external users (e.g. investors or lenders). In this type of account, financial statements are prepared, for example, a balance sheet account, a profit and loss account, a cash flow account. Management accounting, on the other hand, is aimed at providing the information necessary for internal management. In this type of accounting, processes such as cost analysis, budgeting and financial planning are carried out.

An important aspect of accounting is the accuracy and order of calculations and documents. Each transaction or transaction must be confirmed by the relevant documents. These documents are, for example, invoices, contracts or bank receipts [4]. In the accounting process, each operation is recorded in two ways — this is called the principle of “double accounting”. According to this principle, each operation changes assets and liabilities at the same time.



The importance of accounting is that it allows organizations to assess their financial condition and make strategic decisions. Organizations will be able to control their expenses, increase their income, and manage financial risks through accounting[5]. Also, through accounting, organizations can comply with the norms required in the implementation of tax obligations and the preparation of financial statements.. Accounting is based on the following basic principles:

1. Initial account-any financial transaction must be recorded in the initial account. This process will help to accurately record all the operations of the enterprise.
2. Correctness of accounting-accounting should correctly and accurately reflect all transactions. This, in turn, ensures the reliability of financial statements.
3. Period reporting-accounting should reflect the financial situation in a certain period (monthly, quarterly or annual). This is important for investors and management.
4. Financial statements-financial statements prepared as a result of accounting (balance sheet, profit and loss statements) are important in assessing the financial condition of the enterprise.

Economic analysis is the process of in-depth analysis of financial data. Economic analysis is the process of in-depth study and evaluation of economic processes, problems and opportunities [6]. It is carried out through the collection, analysis and interpretation of economic data. The main objective of economic analysis is to improve the efficiency of economic activity, improve the decision-making process and identify future trends.

Economic analysis is divided into two main types: qualitative and quantitative analysis. Qualitative analysis is based on more subjective assessments, studying factors such as consumer behavior, market trends, or the impact of economic policy. Quantitative analysis, on the other hand, is done using statistics and mathematical models. This type of analysis is often carried out on the basis of financial indicators, economic growth, inflation rates and other parameters.



An important aspect of economic analysis is the process of collecting data and analyzing them [7]. Analysts collect data from a variety of sources, including government statistical agencies, financial statements, market research, and other resources. Based on this data, economic indicators are calculated and analyzed.

Economic models and theories are used in the analysis process. Economic models are mathematical expressions used to explain and predict economic processes. Through them, it is possible to determine the causes and consequences of economic changes. For example, theories such as the laws of supply and demand, market equilibrium, price elasticity form the basis of Economic Analysis.

The practice of economic analysis is used in many areas. For example, businesses use economic analysis to make their activities more efficient. They develop strategies to reduce costs, increase profits and expand the market. States, on the other hand, use economic analysis in shaping economic policies, such as promoting economic growth through tax policies or investment programs.

Another important aspect of economic analysis is risk assessment. Analysts help manage risks by identifying economic problems and anticipating their consequences [8]. This is especially important when making investment decisions, as investors use economic analysis to determine where to place their funds.

Economic analysis focuses on the following key aspects:

1. Data analysis-economic analysts analyze the data obtained from accounting and assess the financial condition of the enterprise.
2. Strategic decision - making-with the help of Economic Analysis, leaders can make strategic decisions, such as attracting investments or optimizing costs.
3. Forecasting-economic analysis helps to identify future trends, which is important in determining the development strategy of the enterprise.
4. Calculation of financial indicators-economic analysis of financial indicators (profitability, liquidity, debt load, etc.k.) is used in computing.

Interaction between accounting and economic analysis. The relationship between accounting and economic analysis can be seen through the following aspects:



1. Source of information-accounting provides the information necessary for Economic Analysis. By ensuring that the calculations are correct, it allows economic analysts to obtain accurate results.

2. Analysis process-Economic Analysis is carried out through an in-depth analysis of information obtained from accounting. Analysts use this information to make strategic decisions.

3. Results-the results of accounting are evaluated through economic analysis, and on the basis of these results, the development strategy of the enterprise is determined.

4. Decision - making-based on the results of Economic Analysis, leaders take the necessary measures to improve financial indicators.

Advantages of an integrated approach. There are several advantages to the implementation of accounting and economic analysis through an integrated approach:

1. Reliability-since the results of accounting are evaluated through economic analysis, the results will be more reliable.

2. Efficiency-through an integrated approach, the process of calculating financial indicators is accelerated and efficiency is increased.

3. Strategic decision-making opportunities-based on the results of Economic Analysis, leaders will be able to make more effective strategic decisions.

4. Increasing competitiveness-enterprises can increase their competitiveness by combining accounting and economic analysis.

Conclusion. Economic analysis is the process of studying and evaluating various aspects of the economy and plays a key role in making important decisions for enterprises and states. Economic analysis can be used to develop effective strategies, manage risks, and identify future trends. This process is a necessary tool for any economy. Accounting is an important process necessary to manage and control the financial activities of organizations. It provides effective management to organizations not only by recording financial data, but also by analyzing and interpreting them. With the help of accounting, organizations can conduct their activities more efficiently. The relationship between accounting and economic



analysis is important in assessing the financial condition of enterprises. The implementation of these two processes through an integrated approach makes the process of calculating financial indicators more efficient and reliable.

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