

ACCOUNTING POLICY FOR MANAGEMENT ACCOUNTING PURPOSES

Dilnoza Gafurovna

Khudaynazarova

**Senior Lecturer, Department of Accounting
Samarkand Institute of Economics and Service**

Muhsin Oybek o'g'li Abulqosimov

Student, Samarkand Institute of Economics and Service

Abstract: This article is devoted to the role and importance of accounting policies in the internal management system of a joint-stock enterprise, with both theoretical and practical analytical analysis of their application in management accounting. Accounting policies play a decisive role in providing accurate, reliable, and timely information necessary for managerial decision-making. The article examines the specific features of accounting policies in management accounting directions such as cost calculation, budgeting, transfer pricing, and segment reporting. It also discusses the guidance and methods used to organize production activities. Properly developed, directly applied, and adapted accounting policies provide a solid foundation for achieving strategic objectives, optimizing resource utilization, and enhancing profitability.

Keywords: management accounting, accounting policy, cost calculation, budgeting, cost management, transfer pricing, segment reporting.

Introduction

In today's rapidly developing market economy, ensuring stability, supporting growth, and improving managerial efficiency requires effective internal management mechanisms. The core of these mechanisms is the management accounting system, which provides enterprise management and relevant departments with analytical, timely, and strategic information necessary for decision-making.

The reliability and usefulness of management accounting directly depend on the organization's **accounting policy**. While financial accounting policies focus on external reporting to investors, creditors, and regulatory authorities, management accounting policies are designed to support internal planning, monitoring, and control processes. The primary goal of this study is to examine the theoretical foundations of accounting policies adapted for management accounting purposes, demonstrate their practical relevance, and analyze their impact on managerial decision-making.

Literature Review and Methodology

Literature Review:

The issues of management accounting and accounting policy have been extensively studied by leading scholars in economics and accounting, including S.S. G'ulomov, A.M. Abdugarimov, Y.V. Sokolov, A.D. Zaripov, and others. Sokolov emphasizes that accounting policies play a central role not only for financial reporting but also for internal management processes. Researchers highlight how accounting methods, budgeting techniques, costing methods (e.g., absorption costing), and segment reporting approaches are reflected in management accounting policies. Budgeting methodologies, continuous and variable cost control, and transfer pricing mechanisms remain essential components of an effective accounting policy. Literature analysis shows that well-developed accounting policies provide management with fast analytical insights into profits and revenues by activity segment, which is critical for strategic decision-making. The study uses scientific methods such as systematic analysis, comparative analysis, synthesis, and logical generalization. Management accounting policy is considered as an element of the broader management system, and its interconnections within the overall organizational framework are examined. Comparative methods allow the analysis of differences in accounting approaches, particularly in cost calculation methods. In practical research, the impact of using

Activity-Based Costing (ABC) compared to traditional costing methods on managerial decision quality was evaluated. Based on the findings, practical recommendations were developed for aligning accounting policy sections into a coherent system. Developing an accounting policy for management accounting requires focus on the enterprise's characteristics, operational specifics, and strategic objectives. Practice shows that choosing the right costing method significantly affects operational efficiency and pricing policy. For instance, in enterprises producing diverse and complex products, ABC costing provides a much more accurate product or service cost compared to traditional methods.

Comparative Analysis of Costing Methods in Management Accounting Policy

Table

1.

Features	Traditional Full Costing	Direct Costing	ABC Costing (Activity-Based)
Treatment of Fixed Costs	Included in full cost	Charged to financial accounts	Allocated by activity type
Basis for Decision-Making	Long-term pricing	Short-term decisions (e.g., special orders)	Activity analysis
Usefulness of Information	Suitable for financial reporting	Sensitive to profitability changes	High for evaluating cost drivers

Source: Compiled by the author based on various literature.

Direct costing is optimal for quick management decisions and evaluating contribution margins since it considers only variable costs. Meanwhile, ABC costing improves accuracy by reflecting actual resource consumption in the management accounting system.

Impact of Transfer Pricing Methods on Internal Management

Table 2.

Transfer Pricing Method	Application Description	Advantages	Disadvantages
Market-based	Used when market	Supports	Cannot be applied

	price exists	divisional autonomy	if no market price
Cost-based	Actual or standard cost plus markup	Simple, minimal disputes	May hide inefficiencies
Negotiated	Set mutually between divisions	Motivates managers	Requires extensive negotiation time

Source: Author's summary.

Discussion indicates that the choice of transfer pricing method must consider divisional independence and incentives for decision-making. For example, in conditions where an internal market exists, market-based pricing is preferable. If there is no internal market, cost-based pricing is more practical. Accounting policies must clearly define methods and conditions, while budgeting should specify control distribution and assessment criteria.

Conclusion

Accounting policy for management accounting purposes is a key strategic and operational tool for internal enterprise management. Its primary function is to provide reliable, timely, and analytical information for strategic, tactical, and operational decision-making. Unlike strict financial accounting regulations, management accounting policies can be adapted based on the complexity of production processes and the type of information required by managers.

A well-developed accounting policy ensures:

- Continuous monitoring and control of operations;
- Accurate tracking of costs and profitability;
- Effective budgeting and performance evaluation;
- Clear inter-division relationships through proper transfer pricing.

Changes in production processes, market conditions, or technology require ongoing review and adjustment of accounting policies, ensuring sustainable economic development. Properly implemented, management accounting policies serve as a fundamental tool for achieving strategic advantages and operational excellence.

References

1. G‘ulomov S.S., Abdukarimov A.M. - Buxgalteriya hisobi - Toshkent: Iqtisod-Moliya, 2021. - 45-52 betlar.
2. Pardayev AX, Pardayeva ZA - Boshqaruv hisobi - Toshkent: Fan va texnologiya, 2014. - 98-105 betlar.
3. Sokolov Y. V. - Buxgalteriya hisobining nazariy asoslari - Moskva: Finansi i statistika, 2018. - 128-135 betlar.
4. O‘zbekiston Respublikasi Vazirlar Mahkamasi 1999 yil 5 fevral qarori bilan tuzilma — Mahsulot (ish, xizmatlar) ishlab chiqarish va ishlab chiqarish mahsuloti tarkibi hamda tarkibini tartibga solish tartibi to‘g‘risida Nizom. - 3-4-bandlar.
5. O‘zbekiston Respublikasi Buxgalteriya hisob milliy standarti (BHMS) No 1 - Hisob yuritish siyosati va hisoboti. — Adliya vazirligida 1998 yil 14 avgustda 474-son bilan ro‘jamao olingan. — 3-6-bandlar.
6. Boronov, B. (2020). Improvement of investment accounting in Uzbekistan. *Journal of Advanced Research in Dynamical and Control Systems*, 12(6), 1069-1079.
7. Боронов, Б. (2019). Молиявий активларни халқаро стандартларга мувофиқ тан олиш ва баҳолаш. *Экономика и инновационные технологии*, (5), 1-11.
8. Rajaboev, Shahboz Shodiyevich, and Abdunazar Burkhonovich Gaffarov. "ESSENCE OF DECISIONS ON MEASURES FOR THE DEVELOPMENT OF INFORMATION AND COMMUNICATION TECHNOLOGIES." *Bulletin news in New Science Society International Scientific Journal* 2.1 (2025): 120-125.
9. Ражабоев , Ш., и П. Хамидова. «ИСПОЛЬЗОВАНИЕ ИНФОРМАЦИОННО-КОММУНИКАЦИОННЫХ УСЛУГ В

УСЛОВИЯХ ЦИФРОВОЙ ЭКОНОМИКИ». *Экономическое развитие и анализ*, т. 3, вып. 1, январь 2025 г., сс. 120-4,
<https://inlibrary.uz/index.php/eitt/article/view/65480>.