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KEY ASPECTS OF THE BALANCE EQUATIONS OF FIXED ASSETS

Babanazarova Sevara Abdinazarovna
Associate Professor, PhD
Samarkand Institute of Economics and Service

Xoliqulova Sabrina Jamoliddin kizi
Undergraduate Student
Samarkand Institute of Economics and Service

Аннотация. This article provides complete information about the fixed assets balance sheet equations. Fixed assets represent long-term tangible assets necessary for the implementation of the enterprise's production activities in financial statements. With the help of balance sheet equations, the initial cost of fixed assets, depreciation, revaluation and changes in the value of assets are monitored. The article analyzes the assets shown in the fixed assets balance sheet and their accounting principles, as well as methods for determining the book value of assets.

Ключевые слова: basic, balance sheet equations, financial statements, reporting, processing, tangible assets, balance sheet assets.

Annotatsiya. Ushbu maqolada asosiy vositalar balans tenglamalari haqida to‘liq ma’lumot beriladi. Asosiy vositalar moliyaviy hisobotlarda korxonaning ishlab chiqarish faoliyatini amalga oshirish uchun zarur bo‘lgan uzoq muddatli moddiy aktivlarni ifodalaydi. Balans tenglamalari yordamida asosiy vositalarning boshlang‘ich qiymati, amortizatsiya, qayta baholash va aktivlar qiymatining o‘zgarishi nazorat qilinadi. Maqolada asosiy vositalar balansida ko‘rsatilgan aktivlar va ularning hisobga olish tamoyillari, shuningdek, aktivlarning balans qiymatini aniqlash usullari tahlil qilinadi.

Kalit so‘zlar: Asosiy vositalar, balans tenglamalari, amortizatsiya, moliyaviy hisobot, qayta baholash, moddiy aktivlar, balans qiymati, korxona aktivlari.

Annotation. В данной статье представлена полная информация об уравнениях баланса основных средств. Основные средства представляют собой долгосрочные материальные активы, необходимые для осуществления производственной деятельности предприятия, и отражаются в финансовой отчетности. С помощью уравнений баланса отслеживаются первоначальная стоимость основных средств, амортизация, переоценка и изменения стоимости активов. В статье анализируются активы, отраженные в балансе основных средств, и принципы их учета, а также методы определения балансовой стоимости активов.

Keywords: Основные средства, балансовые уравнения, амортизация, финансовая отчетность, переоценка, материальные активы, балансовая стоимость, активы предприятия.

Introduction. Fixed assets occupy a significant place in the structure of a company’s tangible assets and are intended for long-term use in the production process. They represent one of the key resources for ensuring the effective organization of economic activities within an

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enterprise. Therefore, the financial reporting of fixed assets and their proper reflection in the balance sheet are of particular importance. Balance equations of fixed assets serve as fundamental analytical tools for determining their carrying value, taking into account initial cost, depreciation, revaluation, and other financial changes over time. These equations allow for a comprehensive assessment of how fixed assets evolve throughout their useful life and how their value is adjusted in response to economic and financial processes. This article examines the position of fixed assets within the balance sheet, the economic and financial processes associated with them, as well as their role in maintaining equilibrium between the asset and liability sections of the balance sheet. Through this approach, enterprises can more accurately assess the condition of their fixed assets and ensure the reliability of financial statements by correctly calculating their value. In addition, depreciation and revaluation processes play a crucial role in fixed asset balance equations, as they help reflect the real economic value of assets under changing market conditions. As a result, fixed asset balance equations constitute an essential instrument for the effective management of a company's financial activities, accurate representation of asset values, and enhancement of the reliability of financial analysis. This introduction provides a general overview of the key concepts and issues that will be discussed throughout the article.

Literature Review. Alongside the development of education and the economy in Uzbekistan, a number of domestic scholars have conducted significant scientific research in the fields of finance, accounting, and corporate financial analysis, particularly focusing on fixed assets and their reflection in the balance sheet. Studies by Uzbek researchers on this topic primarily address methodologies for accounting fixed assets, approaches to determining their balance sheet value, and systems for calculating depreciation. For instance, the works of D.K. Tashmuhamedov provide an in-depth analysis of the recognition of fixed assets in the balance sheet, the calculation of depreciation, and the impact of revaluation processes on financial results. His research mainly examines the role of fixed assets in corporate financial reporting and their structural presentation within the balance sheet. Similarly, I.H. Qodirov focuses on the theoretical foundations of economic analysis and accounting, paying particular attention to the modeling of financial processes related to fixed assets and the methods of their representation in the balance sheet. In addition, scholars working in the field of economics and accounting at various universities and research institutions in Uzbekistan—such as N.R. Khudoyberdiyev, S.A. Rahmonov, and others—are engaged in developing practical recommendations on the formation of the balance sheet value of fixed assets, depreciation methodologies, and asset valuation techniques. The research conducted by these scholars serves as an important scientific foundation for the accurate formation of financial reporting and fixed asset balance equations in enterprises. Through their contributions, opportunities to further improve financial accounting practices in Uzbekistan and to more accurately reflect the real financial value of corporate assets have significantly expanded.

Research Methodology. The research methodology on fixed asset balance equations is aimed at examining both the theoretical and practical aspects of financial accounting for enterprise assets and their presentation in the balance sheet. The methodology consists of the following key stages:

1. **Analysis of theoretical foundations.**
   At the initial stage of the study, the concept of fixed assets, their accounting treatment, as well as the principles of depreciation and revaluation are examined based on fundamental

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financial theories. In addition, an in-depth analysis of balance equations and their structural components is conducted.

2. **Data collection and systematization.**
   Real financial statements of enterprises, accounting documents related to fixed assets, depreciation schedules, and other relevant records are collected. Based on these data, an empirical evidence base is formed for constructing fixed asset balance equations.
3. **Mathematical and financial modeling.**
   Mathematical equations and financial models are developed to calculate the balance sheet value of fixed assets. These models demonstrate the interrelationship between asset acquisition, disposal, and depreciation processes, allowing for a comprehensive assessment of changes in fixed asset values over time.

Analysis and Results. The results of fixed asset revaluation are reflected in the financial statements for the current reporting period in which the revaluation is conducted. Revaluation outcomes carried out as of the beginning of the reporting year must be recognized in accounting records. These results are not incorporated into the financial statements of the previous reporting year; instead, they are taken into account when forming the opening balances of the current reporting year. Any discrepancy between the closing figures of the previous year and the opening figures of the current year is explained by the revaluation of fixed assets conducted as of the initial date of the reporting year. Such differences are disclosed in the explanatory notes to the financial statements for the current period. The fixed asset balance equation reflects the carrying value of an enterprise's fixed assets after deducting accumulated depreciation from their initial cost and adding newly acquired assets. The equation can be expressed as follows:

Fixed Asset Carrying Value = Initial Cost + Value of Newly Acquired Fixed Assets − Accumulated Depreciation

For example, if the initial value of fixed assets is 100,000,000 UZS, newly acquired assets amount to 20,000,000 UZS, and accumulated depreciation equals 15,000,000 UZS, then:

Carrying Value = 100,000,000 + 20,000,000 − 15,000,000 = 105,000,000 UZS

Fair value represents the value of fixed assets based on prevailing market prices at a specific date, or the amount sufficient to acquire an asset or settle a liability in a transaction between informed, willing, and independent parties.
The residual (carrying) value is determined by deducting accumulated depreciation from the initial (or replacement) cost of fixed assets.
The residual (salvage) value refers to the estimated amount expected to be obtained from disposing of fixed assets at the end of their useful life, after deducting the expected disposal costs.

The estimated useful life of fixed assets refers to the period, expressed in years, during which an asset is expected to be used. When determining this indicator, accountants should consider the following factors:

experience gained from using similar assets;

the current condition of the asset;

issues related to maintenance and technical servicing;

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the current state of technology and production processes;

local climatic and environmental conditions.

Conclusion

Fixed asset balance equations play a crucial role in the financial accounting of an enterprise's tangible assets. These equations provide an accurate representation of the carrying value of fixed assets by taking into account initial cost, depreciation, acquisitions, and disposals. The analysis demonstrates that the correct formation of fixed asset balances is essential for improving an enterprise's financial position and for substantiating managerial decision-making. Proper organization of the depreciation process and regular revaluation contribute to preserving the real economic value of fixed assets. Moreover, balance equations enable a detailed analysis of assets and their depreciation processes, thereby enhancing financial stability. The correct application of balance equations facilitates the standardization of financial statements and improves their comparability. Consequently, fixed asset balance equations serve as an important tool for increasing operational efficiency and strengthening financial control within enterprises.

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