Analysis Of Accounts Receivable And Accounts Payable In Enterprises

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Abstract: This article discusses the concept of receivables and payables from the point of view of accounting, defines the essence of the analysis of receivables and payables at the present stage of development of economic relations, on which the stability of the financial position of the company depends both at the current moment and in the future of its further development. At the same time, it should be noted that an uncontrolled increase in receivables and payables can lead to a decrease in the liquidity of current assets and the solvency of the organization, on the one hand, and a loss of financial stability, on the other. Accounts receivable that is not returned in a timely manner depreciates assets, reducing their value in the face of inflation, and an uncontrolled increase in accounts payable creates the risk of claims from creditors for the bankruptcy of organizations. In addition, non-payment by debtors of the amount of debt on time can lead to untimely fulfillment of the organization's obligations to creditors, tax authorities, etc., which will necessitate the attraction of new credit and borrowed funds and, as a result, an increase in cost due to the payment of interest, a decrease in financial result. The article also suggests ways to optimize and improve the organization of settlements with counterparties of the organization.

Keywords: Analysis, receivables and payables, assessment, financial condition, solvency, sustainability, contractors, suppliers, risks, optimization.

Introduction: Funds from accounts receivable are one of the main sources of cash for a manufacturing enterprise. If customers do not fulfill their obligations on time, the enterprise will experience a cash deficit, the enterprise's need for current assets to finance its current activities will increase, and its financial

condition will deteriorate. This, in turn, will necessitate changes in the accounting relationships between the enterprise and its customers, and the development of an appropriate policy aimed at repaying loans and debts.

In addition, any business entity focuses its main attention on control not only on accounts receivable, but also on accounts payable. Therefore, one of the main tasks of control over the movement of debts is to reduce the level of accounts receivable to an amount that does not exceed the level of accounts payable.

Continuous control over receivables should ensure that debts are repaid on time, avoiding delays and penalties.

Accounts receivable lead to a decrease in cash in the enterprise, which in turn leads to disruption of production continuity. Therefore, it is important to establish continuous control over accounts receivable. It is important for management to take punitive measures or bring debtors to some kind of liability for accounts receivable that have not been repaid on time.

In accounting, the term "debtor" refers to an individual or legal entity that is indebted to a particular enterprise. The term "creditor" refers to an individual or legal entity that owes a particular enterprise. That is, other enterprises have obligations to this enterprise in terms of settlements. In this case, obligations that must be paid by the enterprise are considered credit obligations, and obligations that must be received are considered receivable obligations. In bilateral contractual obligations, one enterprise can be both a debtor and a creditor. For example, if goods are delivered under a contract for the supply of goods but are not paid for, the supplier of the goods is shown as an account receivable and is considered a debtor, that is, a creditor of a certain amount of goods to the buyer. This enterprise itself is a creditor for the enterprises that purchased these goods. The buyer shows this amount of debt on the purchased goods as a creditor's debt until it is fully paid.

☐ Accounts receivable - These are the funds of the enterprise that have been withdrawn from circulation and are held by other individuals and legal entities. The enterprise's own funds or the funds of other enterprises serve as a source of repayment of these debts.

☐ Accounts payable -These are funds temporarily attracted from other individuals and legal entities. They are used temporarily in the turnover of this enterprise. When the due date for their repayment arrives, these funds must be withdrawn from the amount of working capital.

Accounts receivable and accounts payable are one of the problems encountered in the activities of enterprises and economic entities. However, exceeding the norm of accounts receivable and accounts payable and exceeding the payment deadline can lead to a deterioration in the financial condition of enterprises and disruptions in the production process. This not only leads to negative consequences for the activities of enterprises, but also reduces budget revenues and negatively affects the macroeconomic stability of the country. Therefore, the issue of accounts receivable and accounts payable, as a matter of state importance, is always under state control. In particular, great attention is paid to overdue debts. Preventing the growth of overdue debts and developing measures to reduce them is one of the issues facing the management of every enterprise and organization today.

Taking this into account, it is necessary to emphasize that the proper organization and improvement of the analysis of receivables and payables in business entities is one of the most urgent issues in today's conditions of the ongoing global financial and economic crisis.

Analysis of literature on the topic

The issues of production costs in economic entities are given a lot of attention in normative legal documents and works of economists.

According to Doctor of Economics, Professor B.A. Khasanov, "Profit and profitability are one of the important indicators of the company's activity and its evaluation. The factor affecting the profit is the cost" [5].

Considering the findings of Doctor of Economics, Professor R.D. Dusmuratov, cost accounting objects are separate structural units where costs are incurred and accounted for [6].

Candidate of Economics, associate professor A. Shoalimov believes that reducing the cost of products reflects the saving of live labor and manufactured labor, provides an increase in profits, and makes it possible to lower wholesale and retail prices [7].

Candidate of Economics, Associate Professor A.V. According to Ilina, expenses are the value of material, labor, financial and other resources used in the economic activity of the organization during the reporting period. Costs can be assets or costs of the organization [8].

Candidate of Economics, Associate Professor D.M. According to Akbasheva, in order to effectively manage costs, it is necessary to take into account production and choose the right method of calculating costs and production costs [9].

Research methodology

The prevention of overdue receivables is also a matter of direct state control and concern. Since the ranking of obligations in mutual relations between enterprises and organizations determines the measures for managing state cash flows and drawing up a plan of economic activities.

The main purpose of the analysis is to determine measures to improve the financial condition of the enterprise by accelerating the turnover period

Conditional turnover ratio of receivables

Conditional turnover period of accounts receivable

of receivables and payables. A report, a statement on receivables and payables is prepared on the 1st of each month and submitted to the relevant organizations. From this statement, it is also possible to compile a balance sheet of the enterprise's liabilities.

The analysis assesses the status, composition, establishment dates, reasons for the emergence of mutual receivables and payables of enterprises for a certain period, the justifiability of receivables and payables, and the emergence of unlikely debts on receivables and payables.

$$\frac{\textit{The net proceeds from the sale are actually}}{\textit{Accounts receivable as of the same period last year}}$$

$$\frac{\textit{Accounts receivable for the same period last year * 360}}{\textit{The net proceeds from the sale are actually}}$$

Accounts payable characterizes the obligations of the enterprise to pay to the counterparty. We have already listed above what it includes and the reasons for their occurrence. The main reason for the emergence of accounts payable can also be the failure to pay accounts receivable on time.

The analysis of the composition of credit liabilities assesses the sequence of obligations by debtors, their composition by payment terms. Also, as in determining the turnover ratio and the turnover period of receivables, the turnover ratio and the period of credit liabilities are determined. However, the indicators

involved in this are different. In studying the turnover of credit liabilities, the main indicators are the amount of goods, services, works and services received and not yet paid for, as well as the actual indicators of credit liabilities.

When analyzing accounts payable, special attention should be paid to their origin, duration, and composition. The presence of overdue accounts payable leads to the application of various economic warnings to the enterprise, economic penalties, and a decrease in confidence in the enterprise.

Table 1

Analysis of accounts payable by composition and date of establishment

Creditor obligations articles	Total at the end of the period	Including by emergence dates				
		Up to 1 month	1 to 2 months	From 2 to 3 months	From 3 months Up to 1 year	More than 1 year
1	2	3	4	5	6	7

1. Debt to suppliers and contractors	90387	51423	12196	15713	10023	1032
2. Debt to separate units	400	312	56	32	-	-
3. Debt to subsidiaries and affiliated companies	5007	4019	872	101	15	-
4. Deferred liabilities for taxes and mandatory payments	6721	4198	2103	420	-	-
5. The resulting fragments	-	-	-	-	-	-
6. Insurance debt	-	-	-	-	-	-
7. Debt on payments to targeted state funds	-	-	-	-	-	-
8. Debts to founders	-	-	-	-	-	-
9. Debt for payment of wages						
10. Other payables	25039	18728	1289	3217	1805	-
Total	**127554**	**78680**	**16516**	**19483**	**11843**	**1032**

The total amount of accounts payable at the enterprise at the end of the reporting period was 31,001 thousand soums. Of this, accounts payable up to 1 month amounted to 19,520.8 thousand soums, accounts payable from 1 to 2 months amounted to 7,258.1 thousand soums, accounts payable from 3 to 6 months amounted to 2,700 thousand soums. The amount of accounts payable that were sent overdue but not collected amounted to 540 thousand soums.

The state of accounts payable can be fully assessed by studying their turnover levels. The following table of relationships regarding accounts payable turnover can be provided.

Table 2

Accounts Payable Cycle Analysis

Indicators	Last year	Reporting year	Difference (+, -)
1	2	3	4
1. Total payables, thousand soums	249458	127554	-121904
2. Cost of production of products (works, services) sold, thousand soums	929608	2168322	+1238714
3. Total liabilities, thousand soums	258047	163147	-94900

4. Past due accounts payable, thousand soums	19856	12875	-6981
5. Accounts payable turnover ratio, (2/1)	3,726	16,999	+13,273
6. Accounts payable turnover period, in days (1*360/2)	97	21	-76
7. Share of accounts payable in liabilities, % (1/3*100)	96.67	78.18	-18.49
8. Share of overdue accounts payable in total accounts payable, % (4/1*100)	7.96	10.09	+2.13

Based on the data in the table above, we can assess the turnover of accounts payable in the business entity we are analyzing. The data shows that the accounts payable at the enterprise decreased by 121,904 thousand soums compared to the same period last year. On the contrary, the cost of production of sold products (works, services) increased by 1,238,714 thousand soums in the current year. As a result, the turnover ratio of accounts payable at the enterprise increased from 3.726 last year to 16.999 in the reporting year. That is, the turnover of accounts payable has accelerated several times. Such results should be assessed positively for the enterprise. In addition, the accounts payable turnover period was reduced from 97 days last year to 21 days this year.

We can positively assess the fact that the share of accounts payable in the structure of liabilities has also decreased by 18.49% in the current year. However, it is necessary to negatively assess the fact that the share of overdue accounts payable has increased by 2.13% in the current year. Because such a situation leads to the payment of economic penalties by the enterprise and negatively affects its financial condition. A number of factors have influenced the turnover of accounts payable, and we can consider these influencing factors in the table below.

Conditional turnover ratio and turnover period of accounts payable

$$K1 = \frac{108400}{16542} = 6{,}553,$$

$$K2 = \frac{16542 * 360}{108400} = 54.9$$

In the conditions of the global financial and economic crisis, every business entity must be financially stable. Therefore, it is important for them to eliminate receivables and payables that have arisen in the course of their economic activity as soon as possible. Therefore, effective analysis of these debts and measures to reduce them are a pressing problem today. Only on the basis of the analysis of receivables and payables can they be assessed.

The following practical measures can be used to prevent the increase in the volume of receivables by properly managing them:

 Consistently monitor overdue and overdue accounts with buyers and customers;

 Seeking to work with a large number of buyers in order to reduce the risk of non-payment for products and services by one or more large buyers;

 Pay close attention to the ratio of receivables to payables; a significant excess of receivables over payables may negatively affect the financial stability of the enterprise by attracting additional financing sources, which, in turn, will lead to the occurrence of high interest expenses. The maximum limit of this ratio is 1.0;

 Synchronization of cash flows (cash inflows and outflows), i.e., bringing the period of payment of receivables and repayment of payables as close as possible to each other. This leads to a decrease in the balance of funds on the settlement account and a reduction in bank loans;

 reducing the amount of money in transit through the use of modern accounting methods;

 selling receivables to specialized factoring companies or banks engaged in debt collection from corporate buyers;

⬚   Selectivity - that is, determining the intervals during which certain groups and types of goods are not sold on credit, but only by timely transfer of money. This situation arises during periods when the demand for certain goods is very high.

In developed countries, selling goods on a "2/10 full 30" basis is considered one way to reduce accounts receivable. It works as follows:

⬚   If the buyer pays for the product within 10 days of receiving the product, he will be given a discount of 2% of the product price;

⬚   If the buyer pays for the product between 11 and 30 days, he will pay 100% of the product price;

⬚   If the buyer does not pay the price of the product within a month, a fine will be imposed depending on the payment deadline.

Reducing accounts receivable and accounts payable cannot be achieved through a single program and its control. For this, it is necessary to develop a comprehensive program.

In our opinion, it is advisable to take the following measures to prevent receivables and payables:

- the responsibility of the parties in mutual contractual relations and their strict adherence to the terms of the contract;

-determine the terms of legal liability for the amount of any payments sent after the deadline;

-use of modern forms of accounting books;

-development of a mechanism for creating reserves for doubtful debts, etc.;

CONCLUSIONS AND SUGGESTIONS

In conclusion, it can be said that the analysis of receivables and payables is a very important process in assessing the state of receivables and payables and controlling them. The effectiveness of measures taken to manage receivables and payables and reduce overdue debts primarily depends on how this process is carried out. In this case, great attention should be paid to the analysis of overdue receivables and payables. Because overdue receivables and payables can have negative consequences for the activities of the enterprise. Foreign scientists offer some indicators for calculating losses due to untimely repayment of receivables. These indicators are not very relevant for our country's economy, but by calculating them, we will be able to at least partially assess the current situation.

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