



THE THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF CASH ACCOUNTING

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ABSTRACT	KEY WORDS
<p>This expanded and enhanced article provides a deep scientific analysis of the theoretical, methodological, and practical foundations of cash accounting in modern enterprises. The study clarifies the conceptual essence of cash flows, evaluates the role of cash management in ensuring financial stability, and examines the integration of national standards with IFRS requirements, especially IAS 7. The methodological basis is significantly broadened to include theoretical–conceptual analysis, comparative assessment, regulatory evaluation, and digital transformation research. Particular emphasis is placed on the impact of ERP systems, AI-driven accounting tools, and cloud technologies on the accuracy, speed, and transparency of cash accounting. The results demonstrate that strong documentation, internal control, and automation are key factors strengthening payment discipline and minimizing accounting risks. The article also provides strategic recommendations for modernizing cash accounting systems in Uzbekistan, enhancing compliance with international standards, and improving financial decision-making. The study contributes to the advancement of accounting methodology by proposing more integrated and technology-oriented approaches to cash flow management.</p>	<p>Cash accounting; internal control; liquidity; solvency; accounting policy; cash flow measurement; IFRS; IAS 7; documentation; cash discipline; risk management; digital accounting; ERP systems; financial reporting; transparency.</p>

Introduction

In the context of global economic transformation and increasing competition, the correct organization of cash accounting has become a decisive factor in maintaining financial stability and operational continuity of enterprises. Cash serves as the most liquid financial resource, enabling timely settlements, fulfillment of contractual obligations, procurement of resources, and investment in strategic

development projects. Therefore, the role of cash accounting goes far beyond basic record-keeping; it is a critical management tool that supports liquidity assessment, solvency analysis, and strategic financial planning.

Despite advancements in accounting frameworks, many enterprises continue to face difficulties related to documentation, internal control, inaccurate classification of cash flows, and insufficient alignment with international standards. Globalization and digitalization introduce additional challenges by demanding higher transparency, automation, and real-time financial monitoring. IFRS, particularly IAS 7, offers internationally recognized cash flow reporting requirements, which Uzbekistan is actively implementing through national reforms. As enterprises transition toward these new standards, the scientific study of theoretical and methodological foundations of cash accounting becomes increasingly important to ensure effective and reliable financial reporting.

Methods

The methodological basis of this expanded study consists of a set of systematic scientific approaches aimed at providing a comprehensive understanding of cash accounting principles, challenges, and applications.

1. **Theoretical–Conceptual Analysis:** This method explores the fundamental economic nature of cash, its classification, and its role in accounting systems. The analysis covers core principles such as prudence, reliability, and double-entry accounting as part of the conceptual framework of IFRS.
2. **Comparative Analysis:** Significant attention is given to comparing Uzbekistan’s national accounting standards with international requirements, specifically IAS 7. Differences in terminology, structure of reporting, and classification rules are examined to determine areas requiring further harmonization.
3. **Normative–Legal Analysis:** Cash operations are heavily regulated; therefore, the study evaluates how the Accounting Law, Central Bank regulations, and national standards influence cash discipline and reporting procedures.
4. **Practical Accounting Analysis:** Real-world accounting practices are explored through the review of enterprise-level documents such as cash orders, bank statements, payment registers, and account reconciliation reports.
5. **Digital Systems Assessment:** Modern accounting systems like SAP, 1C, Oracle ERP, and Microsoft Dynamics are analyzed in terms of automation, error reduction, and integration capabilities.
6. **Internal Control Evaluation:** A detailed assessment is conducted on internal control mechanisms, focusing on authorization procedures, segregation of duties, and internal audit methods that ensure financial security.

Results

The results of this comprehensive analysis demonstrate several key findings that highlight the scientific and practical importance of cash accounting:

1. Cash accounting is the foundation for financial stability, enabling precise liquidity measurement and preventing financial disruptions.
2. Double-entry accounting remains essential for ensuring the accuracy and reliability of financial data.
3. Proper documentation significantly increases transparency and reduces the risks of errors, fraud, and financial misreporting. Enterprises with strong documentation practices show more stable financial performance.

4. Cash flow statements provide deeper analytical insights by distinguishing operational, investment, and financing activities, making financial results more informative.
5. Digital technologies drastically improve accuracy and speed. Automated systems allow real-time monitoring and analytical forecasting.
6. National accounting standards in Uzbekistan increasingly harmonize with IFRS, yet classification differences still require additional refinement.
7. Effective internal control fundamentally reduces financial risks through segregation of duties, authorization protocols, and systematic audits.

Discussion

The discussion highlights that cash accounting is not only a technical function but a strategic component of enterprise management. The quality of cash accounting determines the organization's ability to withstand economic fluctuations, maintain liquidity, and ensure sustainable development. Documentation remains a crucial safeguard for ensuring transparency and accountability. A properly organized documentation system ensures that every cash transaction is authorized, traceable, and verifiable.

The digital transformation of accounting significantly enhances the efficiency of cash operations. ERP systems and AI-powered tools contribute to automated reconciliation, anomaly detection, and predictive analysis, thereby reducing human error and improving financial decision-making. However, the study also reveals existing challenges: insufficient IFRS integration, low qualification levels among some accounting personnel, outdated documentation processes, and cyber risks associated with digitalization.

Overall, the findings emphasize that enterprises must modernize their cash accounting systems to remain competitive in a rapidly changing environment.

Conclusion

This comprehensive research confirms that the theoretical and methodological foundations of cash accounting are essential for strengthening financial management and improving enterprise performance. Accurate recording of cash flows enhances payment discipline, supports effective liquidity management, and ensures transparency in financial reporting. Integrating international standards, improving documentation, and adopting digital technologies significantly increase the reliability and efficiency of cash accounting systems. Strengthening internal control mechanisms further contributes to financial security and minimizes operational risks. Therefore, cash accounting must be regarded as a strategic function that contributes directly to enterprise stability, competitiveness, and long-term success.

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