

Date: 3<sup>rd</sup> March-2026

**IMPROVING THE ACCOUNTING OF FINISHED GOODS IN  
MANUFACTURING ENTERPRISES BASED ON INTERNATIONAL  
ACCOUNTING STANDARDS**

**Pashakhodjayeva Dildora DJabborkhonovna**

Samarkand Institute of Economics and Service

Department of Accounting PhD, Associate Professor

Email: [phdildora@mail.ru](mailto:phdildora@mail.ru)

ORCID: <https://orcid.org/0000-0001-8015-957X>

**Niyazova Firuza Komiljon qizi**

Samarkand Institute of Economics and Service

Master of Accounting Department

Email: [niyazovafiruza1707@gmail.com](mailto:niyazovafiruza1707@gmail.com)

<https://orcid.org/0009-0005-5701-511X>

### **I. Introduction**

In today's increasingly globalized economy, the adherence to International Accounting Standards (IAS) is paramount for manufacturing enterprises, particularly concerning the accounting of finished goods. These standards facilitate consistency and comparability across financial statements, allowing stakeholders to make informed decisions based on reliable data. As countries evolve their accounting practices, a notable trend is the convergence of U.S. Generally Accepted Accounting Principles with IAS, promoting greater transparency in financial reporting (Wang R, 2023). This shift underscores the need for an effective accounting framework that adequately addresses the complexities of inventory management, especially in small and medium-sized enterprises (SMEs), which often struggle under the weight of broader regulatory expectations (Eyvazov AEA et al., 2023). By improving accounting practices for finished goods, companies can enhance operational efficiency and financial performance while ensuring compliance with international standards.

### **II. Overview of finished goods accounting and the importance of international accounting standards in manufacturing enterprises**

In the realm of manufacturing enterprises, finished goods accounting serves as a crucial aspect of financial reporting that impacts both operational efficiency and stakeholder decision-making. Accurate accounting of finished goods is essential for assessing the overall financial health of an organization and ensuring compliance with established standards. The adherence to International Accounting Standards (IAS) enhances the comparability and transparency of financial statements, which is vital for attracting investors in a global marketplace. As highlighted in the convergence efforts towards IAS, such as those pursued in Egypt, the reduction of discrepancies between national standards and IAS facilitates better understanding and evaluation of financial practices (Hussein A, 2024). Moreover, the standardization provided by international



Date: 3<sup>rd</sup> March-2026

frameworks aids in mitigating risks associated with financial misstatements, thus fostering trust among stakeholders (Wang R, 2023). Ultimately, a robust finished goods accounting system aligned with international standards is fundamental to the success of manufacturing enterprises.

In the context of manufacturing enterprises, accurately accounting for finished goods presents several intricate challenges that impact financial reporting and compliance. One significant issue arises from the diverse international accounting standards that dictate how finished goods should be valued and reported. Each country's accounting framework, adhering to either U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards, can lead to discrepancies in inventory valuation and profitability reporting (Wang R, 2023). Moreover, the complexities associated with managing inventories, including tracking movements and storage conditions, necessitate robust systems that ensure precise measurement and reporting (Eyvazov AEA et al., 2023). As manufacturers strive for efficiency while adhering to these standards, the potential for errors increases, highlighting the urgent need for refined methodologies and technological support to enhance the accuracy of finished goods accounting.

Traditional accounting practices often harbor various inaccuracies and issues that undermine the reliability of financial reporting, particularly in manufacturing enterprises. One prominent concern pertains to the inconsistent application of accounting standards, leading to discrepancies in how finished goods are valued and reported. The use of outdated methods, such as historical cost accounting, may not accurately reflect current market values, resulting in misstatements of asset valuations. Furthermore, the lack of standardized protocols for inventory management often leads to over or underestimating finished goods, complicating performance evaluations and decision-making processes. These inaccuracies can severely hinder transparency and comparability, ultimately impacting investor confidence. To address these shortfalls, adopting International Accounting Standards could provide a more cohesive framework, ensuring consistency and improving the overall quality of financial disclosures (Hussein A, 2024) (Wang R, 2023).

### **III. Implementing International Accounting Standards to Enhance Accuracy and Transparency**

The implementation of International Accounting Standards (IAS) is pivotal for enhancing accuracy and transparency in the accounting of finished goods within manufacturing enterprises. By establishing a unified framework for financial reporting, IAS facilitate the comparability of financial statements across borders, ultimately boosting investor confidence and decision-making capabilities. As noted in prior research, many organizations have embraced these standards to streamline their accounting processes and achieve operational efficiency (N Imamova, 2025). Furthermore, the integration of International Public Sector Accounting Standards (IPSAS) also contributes to this goal, particularly by generating more comparable financial information across governmental entities and minimizing discrepancies in domestic accounting principles (Schmidhuber L et al., 2020). The harmonization of accounting practices fosters an environment where



Date: 3<sup>rd</sup> March-2026

manufacturers can better assess the value and performance of their finished goods, thereby aligning with global best practices and enhancing overall business competitiveness.

The adoption of international accounting standards, particularly the International Financial Reporting Standards (IFRS), presents significant advantages for finished goods accounting in manufacturing enterprises. Key provisions of IFRS emphasize consistency, transparency, and comparability, which are crucial for accurately valuing inventory, including finished goods. By standardizing reporting practices, these provisions facilitate more reliable financial statements that enhance stakeholder trust and informed decision-making. Furthermore, the harmonization of accounting standards, as noted by proponents of IFRS adoption, streamlines the consolidation process for multinational enterprises, allowing them to present a unified financial performance across jurisdictions (Trimble M et al., 2024). The comprehensive approach of IFRS also addresses strategic accounting issues within international corporate frameworks, as highlighted in recent literature on international accounting (Clare et al., 2021). Ultimately, these benefits position manufacturing firms for growth in increasingly competitive and globalized markets.

#### **IV. Conclusion**

In conclusion, the enhancement of accounting practices for finished goods in manufacturing enterprises, grounded in International Accounting Standards, is pivotal for fostering transparency and reliability in financial reporting. The implementation of these standards not only standardizes the evaluation of inventory, ensuring comparability across various entities, but also addresses the complexities arising from differing national practices, particularly between U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. As identified, challenges such as data quality issues and insufficient regulations need to be mitigated through robust internal training and knowledge sharing, which can significantly bolster the capabilities of accounting professionals within organizations (Song F, 2024). Consequently, by aligning with international standards and integrating innovative practices, manufacturing enterprises can better navigate the evolving landscape of global accounting, ultimately driving sustainable growth (Wang R, 2023).

#### **REFERENCES:**

- Amani Hussein (2024). Framework for Enhancing the Egyptian Accounting Standards Towards Convergence With International Financial Reporting Standards. <https://www.semanticscholar.org/paper/ca5716bcaee49ca759cb3540d5619c754f000e5>
- Rong Wang (2023). Comparison of U.S. Generally Accepted Accounting Principles with International Financial Reporting Standards. <https://www.semanticscholar.org/paper/18d6476fa539fc6c7ff8e06f6dea9849201644c5>
- Aqil Eyvazov Aqil Eyvazov, Amil Zamanov Amil Zamanov (2023). IMPROVEMENT OF INVENTORY ACCOUNTING IN SMALL AND MEDIUM-SIZED ENTERPRISES IN THE CONTEXT OF THE TRANSITION TO INTERNATIONAL FINANCIAL



Date: 3<sup>rd</sup> March-2026

REPORTING STANDARDS FOR SMALL AND MEDIUM-SIZED ENTERPRISES.

<https://www.semanticscholar.org/paper/164ff415eef981fbd430483a1d0dba5d865a23c9>

• Fangfei Song (2024). Sustainable Development and Accounting Practice: The Impact and Future Directions of International Standards.

<https://www.semanticscholar.org/paper/7229e9c9da9e3dc8a86620c44e86009ae20ff4d7>

• Madeline Trimble, Xiaoxiao Song (2024). The benefits and detriments of global accounting convergence. <https://doi.org/10.4337/9781803920597.00007>

• Clare, Roberts (2021). International Accounting Solutions Douppnik Third Edition Doc Read.

<https://www.semanticscholar.org/paper/07c8bc4dd747a497073002165fecc404a3c317e3>

• N. Imamova (2025). Integration of International Financial Reporting Standards into the Accounting System.

<https://www.semanticscholar.org/paper/b20c455edadb6486db3690fe91cd826929a77a93>

• Lisa Schmidhuber, Dennis Hilgers, Sebastian Hofmann (2020). International Public Sector Accounting Standards (IPSASs): A systematic literature review and future research agenda. <https://doi.org/10.1111/faam.12265>

