ANALYSIS OF PRODUCTION COSTS AND THEIR EFFECTIVE USE

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Abstract: It is not a secret that the basis of the market economy is self-interest, and these interests of firms and companies are clearly manifested in the achievement of profit during the period of activity. One of the factors that increase the profit is the effective use of these costs. If we look at the dictionary meaning of the word cost, costs are the reduction of economic resources that occur by reducing assets or incurring liabilities arising from business activities in order to increase profits. In this definition, it is necessary to emphasize the phrase "in order to increase profit". After all, all expenses of economic entities may not justify themselves, that is, may not bring profit. Only costs that have made a profit can be included among the costs of firms and companies that have been used effectively.

Keywords: material return, labor productivity, cost analysis

Some of the most important indicators studied in cost effectiveness analysis include:

- Cost incurred for one soum product;
- material return;
- wage fund and factors influencing its change;
- worked time i;
- labor productivity indicators.

The cost incurred for one soum product is considered the most important indicator studied during the analysis, and the remaining indicators are the indicators that influence the change of this indicator and complement it.

The cost incurred for one soum product is found as follows:

One soum commodity

for the product $= \frac{cost\ of\ production}{wholesale\ price\ of\ goods}$

cost incurred

During the analysis, the dynamic changes of this indicator, the factors affecting them and the achieved levels of economy are studied.

We will consider the cost incurred for one soum product in the example of "Nadir-Biznes" LLC, which was taken as a research object in the graduation thesis.

Table 1.

"Tashkent Don" JSC cost analysis for one soum product

Indicators	Last year	Reporting year		the difference	
		Business plan	In fact	From last year	from the plan
1	2			3	4
1. Production cost of products (work, service), thousand soums	1235690	1456870	1451810	216120	-5060

Comparative wholesale price of the product , thousand soums	2278456	2784560	2818104	539648	33544
3. Expenses incurred for one soum product, in shillings	54.23	52.32	51,52	-2.71	-0.8

"Tashkent Don" JSC's product output actually amounted to 2,818,104 thousand soums. The production of goods increased by 539,648 thousand sums compared to the previous year, and by 33,544 thousand sums compared to the plan. Of course, this is a positive situation for the company, but in order to give a complete conclusion, it is necessary to study the state of production costs of products. The actual production cost of the products is 1451810 thousand soums. Although the product has increased, the cost reduction by 5060 thousand soums compared to the plan is definitely a positive situation. The decrease of expenses for one soum product compared to the previous year by 2.71 tithes and compared to the plan by 0.8 tithes is 76370.6 (-2.71*2818104/100) thousand soums compared to the previous year and 22544.8 thousand soums compared to the plan. led to economy. It is possible to evaluate the activity of the society in the current period positively.

Another indicator of cost efficiency is the material capacity indicator.

The cost of products produced in economic entities largely depends on the indicators of effective use of raw materials and materials.

Ensuring that the amount of material resources is in the planned volume creates an opportunity to fulfill the product production plan. If the material resources are not used sparingly and their practical use is excessive compared to the established norms, then the provided materials will not be enough to fulfill the plan of production continuity.

The purpose of the analysis of the use of material resources is to determine how much the volume of products was created in the production process, and how much additional products were created as a result of the effective use of material resources. The material capacity indicator indicates the materials used for each soum product and is determined in the following order:

$$K_{ms} = \frac{spent\ materials}{brand\ products}$$

We will consider the effect of material capacity and its change on product volume on the example of JSC "Tashkent Don".

Table 2

Analysis of material capacity and its impact on product volume at "Tashkent Don" JSC

Indicators	**Business plan**	**In fact**	**The difference is (+,-)**
1	**2**	**3**	**4**
1. Material costs (thousand sums)	14 0 6 4 7 6	14 00 8 57	- 5619
2. Product (thousand sum)	2784560	2818104	+ 33544

3. Product material capacity (sum)	0.51	0.49	-0.02
4. Economized(-) or overspent (+) materials due to changes in material capacity	x	x	-56362.08
5. An increase in the size of the product due to the saved material	x	x	115024.6

In "Tashkent Don" JSC, material expenses decreased by 5,619 thousand soums compared to the plan, and this decrease led to a decrease in material capacity by 0.02 soums. These results are positive for society. As a result of the reduction of material capacity by 0.02 soums, 56362.08 (-0.02*2818104) thousand soums worth of material was saved in the society. The possibility of producing additional 115,024.6 thousand soums worth of products due to the saved materials is considered a positive situation for the society.

As a conclusion, it can be said that the reduction of costs and material capacity for one soum product in the enterprises are the priority directions of reducing the cost of the product.

We recommend the following directions for reducing costs and material consumption in economic entities:

1. Determining the base of cheap and remotely convenient raw materials;
2. Reducing the number of administrative staff;
3. Use of relatively cheap transport services;
4. Determination of alternative raw material base;
5. Attracting new technologies with low waste and high production capacity to production;
6. Increasing labor productivity by encouraging morally and materially through a certain part of the economy;
7. Taking measures to prevent or reduce waste in production;
8. Increase the level of intensive use of fixed assets and other material resources;
9. Workers and fixed assets, efficient use of time funds, etc.

References:

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3. Uchet zatrat na proizvodstvo i kalkirovanie sebestoimosti produktsii na predpriyatiyax neftegazobyvayushchey promyshlennosti.