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QUALITATIVE AND QUANTITATIVE ISSUES IN THE FORMATION OF ACCOUNTING INFORMATION IN FINANCIAL REPORTING

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In today's rapidly developing market economy, where the economy and all sectors are undergoing digital transformation, the demand for high-quality representation of accounting information in financial reporting is steadily increasing. This is because such information serves as a primary source of data for management and economic decision-making. This, in turn, highlights the relevance of the present research topic. It is well known that in order to attract external financing, creditors and potential investors are primarily interested in a company's property and financial position.

Although the interests of these two sources of financing may appear similar, their approaches to analyzing financial statements differ significantly. While intangible assets held by a company may be highly valuable from an investor's perspective, they are of little relevance to creditors. Creditors are primarily concerned with the amount of liquid assets that have a reliable fair value, as they directly use this information to assess the company's solvency. This does not imply, however, that liquid assets are unimportant to investors.

These two groups of stakeholders simply differ in their interests and evaluation approaches. Nevertheless, the accounting information presented in financial statements must simultaneously meet users' requirements in terms of both qualitative and quantitative characteristics.

The requirements for the quality of accounting information have been derived from the Conceptual Framework for Financial Reporting developed by the International Accounting Standards Board (IASB)¹, whose effectiveness has been widely recognized. Furthermore, both national and international scientists have explored the qualitative and quantitative aspects of accounting information in their research.

¹ International Accounting Standards Board (IASB). (2018). Conceptual Framework for Financial Reporting.



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In particular, foreign scientists such as R. Kaplan, S. Penman, W. Beaver, and C. Horngren², as well as national scientists including N.Q. Rizaev, S. Khabizhanov, F.A. Khakimov, and Sh. Saidboev³, have emphasized in their studies that the interrelation between the quantitative and qualitative indicators of accounting information has a direct impact on the quality of financial reporting.

It is important to emphasize that there are numerous problems in the formation of accounting information, and we highlight some of the key issues:

Lack of relevance and reliability;

National standards not aligning with international requirements;

Limited analytical value;

Absence of an integrated approach to valuation;

Technological challenges.

Accounting information often fails to meet the requirements of interested users, which can be explained by the absence of clear criteria for assessing its qualitative and quantitative characteristics.

National accounting standards, including the Accounting Standards of the Republic of Uzbekistan (ASRU), are frequently not harmonized with the International Financial Reporting Standards (IFRS), complicating the comparability of information and reducing its applicability for international users.

In the practice of financial statement preparation, emphasis is predominantly placed on quantitative attributes (financial metrics), while qualitative characteristics—such as relevance, timeliness, and transparency—are often insufficiently appraised.

² Robert Kaplan — The Balanced Scorecard: Translating Strategy into Action. Boston, MA: Harvard Business School Press. Stephen Penman — Financial Statement Analysis and Security Valuation (2010). 4th ed. New York, NY: McGraw-Hill/Irwin. William Beaver — “Financial Ratios as Predictors of Failure,” Journal of Accounting Research, Vol. 4, Autumn, pp. 71–111. Charles Horngren — Cost Accounting: A Managerial Emphasis (2012). 14th ed. Pearson.

³ N.Q. Rizaev, S. Khabizhanov — Accounting Based on IFRS / Available at: <https://bestpublication.org/index.php/ozf/article/view/155>, F.A. Khakimov — Qualitative Aspects in Accounting for Long-Term Assets / Available at: <https://finance.tsue.uz/index.php/afa/article/view/356>, Sh. Saidboev — Simplified Accounting for Small Business Entities / Available at: <https://namdu.uz/books/2378/>. J.E. Qurbonbaev, R.R. Obidov — Improving Qualitative and Quantitative Indicators through Information Systems / Available at: <https://namdu.uz/uz/books/13376/>



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Current methodologies and models fail to comprehensively integrate both the quantitative and qualitative dimensions of accounting information, thereby constraining its utility for strategic decision-making.

Moreover, the inadequate automation and digitalization of accounting processes elevate the risk of errors, contribute to delays in data processing, and impair the timely provision of information.

Thus, accounting information must be characterized by both qualitative and quantitative attributes, which complement each other and collectively ensure the relevance of the information.

Analyzing accounting information in terms of both its quantitative and qualitative aspects enables the enhancement of its efficiency and usefulness for users (see Table 1).

Table 1 Comparative Analysis of Quantitative and Qualitative Approaches to Accounting Information

Attributes	Quantitative Approaches	Qualitative Approaches
Core Emphasis	Numerical Indicators	Usefulness for Decision-Making
Analytical Instruments	Financial Ratios, Metrics	IFRS Principles, Relevance Assessment
Objective	Accuracy and Completeness of Accounting	Reliability and Transparency
Domain of Application	Short-term Objectives (Accounting, Control)	Long-term Objectives (Analysis, Planning)

Existing approaches to the quantitative and qualitative aspects of accounting information enable its effective use in the decision-making process. To enhance the quality of information, it is necessary to integrate both quantitative and qualitative approaches, leverage modern technologies, and ensure compliance with international standards.

Thus, the investigation of the quantitative and qualitative characteristics of accounting information lays the foundation for addressing the fundamental problems of accounting, enhancing its efficiency, and providing a comprehensive information base for making economically sound decisions.



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