



A THEORETICAL AND METHODOLOGICAL APPROACH TO TRANSFORMATION OF THE ACCOUNTING SYSTEM IN THE HOTEL BUSINESS

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Abstract

This thesis develops a methodological approach to transforming the accounting system, which provides for determining financial results in the hotel industry by service segments, assessing the profitability of revenue centers, and integrating these indicators into management decisions. As a scientific innovation, an integrated model is proposed that allows for the separation of income and expenses for hotel services by specific segments and the reflection of their profitability level in management reports in real time. The proposed approach serves to bring the process of making financial management decisions of hotel entities to a qualitatively new level.

Keywords: hotel management, service segment, revenue center, profitability, management accounting, financial performance, integrated accounting system.

Tourism and hotel industry is one of the most rapidly developing sectors of the economy of Uzbekistan today, accounting for a significant share of the gross domestic product. In the hotel industry, quality of service, creating comfort for customers, rational use of financial resources and ensuring profitability - all this requires modern management approaches.

Traditional accounting systems often only show aggregated financial results and do not provide a clear segmented analysis by revenue center. As a result, the ability to quickly assess profitability indicators necessary for making management decisions is limited.

Therefore, the transformation of the accounting system that allows determining financial results by service segments and analyzing the profitability of revenue



centers, as well as integrating profitability indicators into management decisions, is emerging as an urgent task.

During the research, the following were identified and results were achieved:

- it was found that the current accounting practice is often focused on the formation of tax and financial statements, and does not provide a clear profitability analysis by service segment. This leads to a lack of sufficiently fast and accurate information when making management decisions;
- the main areas of hotel activity - room fund, catering, conferences and events, SPA/wellness, additional services - were separated as separate revenue centers. The criteria for direct and indirect distribution of costs for each segment were determined;
- for each segment, indicators such as profit margin, cost per service unit, return on investment (ROI), as well as relative indicators related to the volume of service were systematized. These indicators were combined with management reports generated in real time.

The transformation of the accounting system in the hotel industry includes the following innovations:

*Integrated profitability module: A module should be developed that separates income and expenses by service segments and calculates their profitability indicators in real time. This module will be directly connected to the process of making management decisions.

*Indicators system by revenue center: It is permissible to form a complex analytical block for each revenue center, including indicators such as profit margin, return on investment (ROI), and cost per unit of service.

*Transformation model: In addition to traditional financial reporting, it is necessary to develop a transformation algorithm that allows the formation of “segment-profitability reports” integrated with management accounting.

*Integrated integration mechanism for management decisions: A design of information flows should be developed that ensures the rapid adoption of strategic and tactical decisions based on real-time reports on financial results.

The proposed approach requires a radical renewal of management accounting practices in the hotel industry. Currently, accounting in many hotel entities is mainly



focused on preparing tax and financial statements, and does not show clear profitability at the level of service segments.

The integrated profitability module allows you to evaluate service types as separate revenue centers and determine the financial efficiency of each. This expands the possibilities of not only strategic planning, but also the ability to quickly make daily management decisions (for example, changing pricing policy, optimizing service packages).

In addition, real-time analytical data allows managers to flexibly respond to seasonal changes, customer demand, and cost dynamics. This helps to increase the overall profitability of the hotel industry.

The results of the study described above show that the transformation of the accounting system, which serves to accurately record financial results by service segments in the hotel industry, assess the profitability of profit centers, and integrate these indicators into management decisions, is the most important requirement of modern management.

The methodological approach proposed as a scientific innovation consists of the following:

- formation of real-time profitability indicators by service segments;
- integration of these indicators into management accounting and decision-making processes;
- integration of the transformed accounting system with information technologies.

The implementation of this approach will bring the financial management of hotel business entities to a new level, increase their competitiveness, and contribute to sustainable development in the tourism sector.

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