

## SPECIFIC FEATURES OF FIXED ASSET ACCOUNTING IN CONSTRUCTION ORGANIZATIONS

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### **Abstract**

This article examines the specific features of fixed asset accounting in construction organizations from scientific, theoretical, and practical perspectives. In particular, the study analyzes the accounting treatment of buildings and structures, special construction machinery, vehicles, production equipment, and temporarily used facilities in construction enterprises. The article also highlights the distinctive aspects of initial valuation, depreciation calculation, repair cost documentation, revaluation, disposal, and inventory procedures related to fixed assets. It is substantiated that the effective organization of fixed asset accounting in the construction sector is one of the key factors in ensuring cost transparency, reliability of financial results, and accuracy of managerial decision-making.

### **Keywords**

construction organization, fixed assets, accounting, depreciation, initial cost, wear and tear, inventory, revaluation, repair costs, financial results.

### **Аннотация**

В данной статье раскрываются особенности учета основных средств в строительных организациях с научно-теоретической и практической точек зрения. В частности, проанализирован порядок отражения в бухгалтерском учете зданий и сооружений, специальной техники, транспортных средств, производственного оборудования, а также временно используемых объектов в строительных предприятиях. Кроме того, освещены особенности первоначальной оценки основных средств, начисления их амортизации, документального оформления расходов на ремонт, переоценки, списания и инвентаризации. В статье обосновано, что эффективная организация учета основных средств в строительной отрасли является одним из важнейших факторов обеспечения прозрачности затрат, достоверности финансовых результатов и повышения качества управленческих решений.

### **Ключевые слова**

строительная организация, основные средства, бухгалтерский учет, амортизация, первоначальная стоимость, износ, инвентаризация, переоценка, расходы на ремонт, финансовый результат.

### **Annotatsiya**

Ushbu maqolada qurilish tashkilotlarida asosiy vositalar hisobining o'ziga xos xususiyatlari ilmiy-nazariy va amaliy jihatdan yoritilgan. Xususan, qurilish korxonalarida bino-inshootlar, maxsus texnika, transport vositalari, ishlab chiqarish uskunalari hamda vaqtinchalik foydalaniladigan obyektlarning buxgalteriya hisobida aks ettirilish tartibi tahlil qilingan. Shuningdek, asosiy vositalarni boshlang'ich qiymatda baholash, ularni eskirishini hisoblash, ta'mirlash xarajatlarini rasmiylashtirish, qayta baholash, hisobdan chiqarish va inventarizatsiya qilish jarayonlarining o'ziga xos jihatlari ochib berilgan. Maqolada qurilish tarmog'ida asosiy vositalar hisobini samarali tashkil etish korxonalar moliyaviy natijalari, xarajatlar shaffofligi va boshqaruv qarorlarining aniqligini ta'minlashdagi muhim omillardan biri ekanligi asoslab berilgan.

### **Kalit so'zlar**

qurilish tashkiloti, asosiy vositalar, buxgalteriya hisobi, amortizatsiya, boshlang'ich qiymat, eskirish, inventarizatsiya, qayta baholash, ta'mirlash xarajatlari, moliyaviy natija.

### **INTRODUCTION**

In the context of a market economy, the construction sector holds a special place as one of the most important and strategic branches of the national economy. This sector plays a crucial role in developing production infrastructure, improving the living standards of the population, creating new jobs, and increasing investment activity in the country. The efficiency of construction organizations largely depends on the rational and effective use of their fixed assets. This is because fixed assets form the material and technical base for carrying out construction works and ensure the continuity of the production process.

In construction organizations, fixed assets include buildings and structures, construction machinery and equipment, vehicles, specialized equipment, production inventories, and other long-term tangible resources. These assets are directly involved in construction and installation works and serve over a long period. Therefore, issues such as their proper recognition in accounting, valuation, documentation, depreciation calculation, recording of repair costs, and disposal are of significant scientific and practical importance.

Accounting for fixed assets in construction organizations has certain distinctive features compared to other sectors. In particular, the high value of fixed assets, their long-term use in production processes, the coexistence of movable and immovable assets, the frequent change of construction sites, and the rotation of specialized machinery and equipment across different projects complicate the accounting process. In addition, the physical and moral depreciation of construction equipment, the constant need for repairs, and the seasonal or temporary nature of some assets require a more carefully designed accounting policy.

Fixed asset accounting is important not only for ensuring the reliability of financial statements but also for determining the actual financial condition of the enterprise, substantiating the structure of costs, evaluating production efficiency, and making effective management decisions. If the movement of fixed assets, their depreciation, and their level of utilization are not accurately and systematically reflected in accounting, it may lead to incorrect financial results, distorted cost indicators, and errors in management decisions. Therefore, improving fixed asset accounting in construction organizations is one of the pressing scientific and practical issues today.

The relevance of this topic is обусловлена by the fact that, in modern conditions, there is an increasing need to modernize production capacities in the construction sector, update technical and technological bases, ensure efficient use of resources, strengthen cost control, and enhance financial discipline. Under such circumstances, organizing fixed asset accounting in accordance with modern requirements, continuously monitoring their composition and condition, and ensuring the reliability of reporting data remain among the key tasks.

### MAIN PART

In the activities of construction organizations, fixed assets are considered one of the most important economic resources forming the material basis of the production process. They participate in the long-term operations of the enterprise and gradually transfer their value to the cost of products, works, and services. In this regard, proper accounting of fixed assets in construction enterprises is an essential component not only of financial accounting but also of management accounting and economic analysis.

**Economic essence of fixed assets in construction organizations.** Fixed assets are tangible assets used in the enterprise's activities over a long period, maintaining their physical form while participating in the production process and gradually transferring their value to the cost of products or services through depreciation. In

construction organizations, such assets include office and production buildings, warehouses, construction site facilities, cranes, excavators, concrete mixers, transport vehicles, specialized equipment, welding machines, generators, and other technical means.

The specificity of the construction sector lies in the fact that fixed assets directly act as income-generating factors. For example, the technical condition, productivity, and service life of construction machinery directly affect the volume and quality of work performed, as well as the financial results of the enterprise. Therefore, in construction organizations, fixed asset accounting is not merely a recording process but also serves as an effective management tool.

**Specific features of the composition of fixed assets in construction organizations.** The composition of fixed assets in construction enterprises is more complex and multifaceted compared to other economic entities. This is due to the simultaneous use of both stationary and mobile assets in construction activities. For instance, on the one hand, there are permanent assets such as production bases, administrative buildings, and warehouses; on the other hand, there are mobile assets such as excavators, bulldozers, truck cranes, and dump trucks that are constantly moved from one site to another.

This situation creates certain complexities in the accounting process. In particular, it is necessary to continuously monitor which fixed asset is assigned to which site, how long it has been used, its operational efficiency, fuel and repair costs, and its level of depreciation. Therefore, in construction organizations, fixed asset accounting should not only reflect their existence but also continuously track their movement, technical condition, and efficiency of use.

**Valuation of fixed assets and determination of initial cost.** Accounting for fixed assets begins with their proper valuation. In construction organizations, the initial cost of fixed assets includes all expenses related to their acquisition, delivery, installation, assembly, preparation for use, and commissioning. Thus, the value of a fixed asset is formed not only by its purchase price but also by additional costs associated with bringing it into operational condition.

Construction machinery is often expensive and requires complex installation. Therefore, errors in determining the initial cost may lead to incorrect calculation of depreciation, production costs, and financial results. In practice, especially for imported machinery and equipment, it is important to correctly include customs duties, transportation costs, insurance payments, installation and assembly costs, and testing expenses in the initial value.

**Documentation and accounting of fixed assets.** In construction organizations, the movement of fixed assets is formalized based on relevant primary documents. When a fixed asset is received by the enterprise, an acceptance and transfer certificate is prepared, an inventory number is assigned, and the asset is recorded in the accounting registers. For each fixed asset, a separate inventory card should be maintained, indicating the name of the asset, its technical characteristics, value, date of commissioning, depreciation rate, location, and responsible person.

Since fixed assets in construction are often used sequentially across multiple sites, their internal movement must also be documented. This ensures consistency between the actual condition of fixed assets and accounting records. Especially for specialized machinery, documenting which site the asset is assigned to, for what period, and for what production purpose is of particular importance from a management control perspective.

**Specific features of depreciation calculation.** One of the key aspects of fixed asset accounting is the calculation of depreciation. Depreciation is the process of systematically allocating the cost of fixed assets to expenses over their useful life. In construction organizations, the amount of depreciation significantly affects the cost of production, the value of completed works, and overall financial results.

Due to the intensive use of construction machinery, their physical wear and tear may occur more rapidly. In some cases, however, depending on seasonality or the volume of orders, certain equipment may be used less frequently during specific periods. Therefore, when developing a depreciation policy, it is necessary to consider the actual level of utilization of fixed assets, their service life, maintenance requirements, and production conditions. The proper calculation of depreciation is a crucial factor in determining the actual cost of construction works.

**Repair costs and modernization issues.** In construction organizations, fixed assets—especially specialized machinery and equipment—operate under heavy workloads. As a result, both current and capital repair works are carried out regularly. In accounting practice, it is important to correctly distinguish repair costs, as routine maintenance expenses are usually recognized as period costs, while capital improvements and modernization may increase the value of the fixed asset.

In construction enterprises, modernization activities are often undertaken to improve the productivity of equipment, reduce fuel consumption, or enhance technical performance. In such cases, it is necessary to properly assess the economic substance of the incurred costs. If the performed work extends the useful life of the

asset, increases its capacity, or enhances the future economic benefits, such expenditures should be recognized as capital investments.

**Inventory and control system.** In construction organizations, fixed assets are numerous and located across various sites, which makes inventory procedures particularly important. Inventory serves as a tool to verify the actual existence, technical condition, level of use, and reliability of accounting data. This is especially critical when construction equipment is moved from one site to another or used over long periods, requiring accurate tracking of its location and condition.

During the inventory process, assets that have become unusable, are no longer in operation, or cases of surplus and shortages may be identified. Such findings help not only to correct accounting errors but also to strengthen the internal control system. Based on inventory results, important managerial conclusions can be drawn regarding the efficiency of asset utilization, the level of renewal of the technical fleet, and the presence of idle or inefficient assets.

**Revaluation and disposal of fixed assets.** Inflation, changes in market prices, technological obsolescence, and the need to reflect the real value of assets in financial statements make the revaluation of fixed assets a relevant issue. In construction organizations, revaluation is particularly important for high-value machinery, equipment, and production facilities. If assets are undervalued or outdated on the balance sheet, it may negatively affect the reliability of financial indicators.

The disposal of fixed assets occurs when they become completely unusable, are sold, transferred free of charge, or removed from the enterprise due to natural disasters or other reasons. In construction enterprises, disposal is especially common for assets that have been used for a long time, have become technically obsolete, or are no longer economically viable to repair. Proper documentation of the disposal process plays a significant role in ensuring the accuracy of financial results.

**The role of fixed asset accounting in management.** In construction organizations, fixed asset accounting is not limited to meeting accounting requirements alone. It also serves as an important source of information within the enterprise management system. Data on the composition of fixed assets, their level of depreciation, utilization rates, repair costs, and renewal rates form the basis for investment planning, technical re-equipment, expansion of production capacity, and cost optimization.

Moreover, the proper organization of fixed asset accounting in construction organizations contributes to strengthening financial discipline, enhancing internal

control, ensuring the rational use of assets, and preventing inefficient use of resources. Therefore, fixed asset accounting is a system of direct practical importance for improving the economic efficiency of enterprise activities.

**The need to improve fixed asset accounting in construction organizations.** Under modern conditions, improving fixed asset accounting in construction organizations remains one of the key tasks. This requires, first of all, the development of an accounting policy adapted to the specific features of the industry, maintaining detailed analytical accounting for each fixed asset, applying modern information technologies, and strengthening internal control mechanisms. In particular, the electronic tracking of construction equipment across different sites, automation of depreciation calculations, separate analysis of repair costs, and regular inventory procedures yield significant practical results.

At the same time, improving the exchange of information between qualified accounting personnel, technical specialists, and management staff is also of great importance. This is because accurate information on the actual condition of fixed assets is formed not only by the accounting department but also through cooperation with production, supply, and technical service units.

**Statistical analysis of fixed assets in construction organizations of Uzbekistan.** When analyzing fixed asset accounting in construction organizations in Uzbekistan, it is essential to consider the dynamics of investments directed toward fixed capital. In January–September 2025, total investments in fixed capital in the country amounted to 443.6 trillion UZS, which represents a 15.2% increase compared to the same period in 2024. During this period, construction activities accounted for 8.4% of total fixed capital investments across economic sectors. This indicates a growing share of buildings, structures, machinery, and equipment in the construction sector, highlighting the importance of proper recognition of fixed assets at initial cost, correct classification of capital expenditures, and accurate accounting of financing sources.

The value indicators of fixed assets within the sector further confirm this trend. According to official statistics, the initial (replacement) value of fixed assets in the construction sector increased from 38,676.3 billion UZS at the end of 2022 to 50,901.5 billion UZS by the end of 2024, reflecting an increase of approximately 31.6%. The residual value also showed positive growth, rising from 27,033.8 billion UZS to 35,246.3 billion UZS, which corresponds to an increase of about 30.4%. However, the share of the construction sector in the total fixed assets of the national economy remained at 3.0% by the end of 2024. This suggests that despite the large

number of construction organizations, their fixed assets are characterized by high value but relatively narrow specialization.

More significant insights can be derived from the movement of fixed assets in the construction sector. In 2024, the volume of newly commissioned fixed assets in construction reached 11,631.5 billion UZS, compared to 7,242.3 billion UZS in 2022. This indicates an increase of approximately 60.6% over two years. At the same time, the volume of fixed assets retired or written off in 2024 amounted to 3,124.9 billion UZS, showing a noticeable increase compared to the previous year. These processes highlight the need to further improve procedures for the acceptance and transfer of fixed assets, analytical accounting by inventory objects, capitalization of modernization and reconstruction costs, and timely disposal of obsolete assets in construction organizations.

**Indicators of renewal, disposal, and depreciation.** Indicators of renewal, disposal, and depreciation clearly demonstrate the importance of accounting policies in this sector. In 2024, the average renewal rate of fixed assets in the economy was 12.4%, whereas in the construction sector this figure reached 22.9%, making it one of the highest among all industries. At the same time, the disposal rate of fixed assets in construction was 7.6%, which is significantly higher than the national average of 2.3%. The depreciation level in construction amounted to 30.8%.

Such proportions indicate that construction organizations are actively renewing their assets on the one hand, while on the other hand they continue to face a high level of physical and technological obsolescence. Therefore, selecting appropriate depreciation methods, regularly reviewing useful life estimates, and strengthening revaluation practices are of particular importance for this sector.

**Structure of investments in fixed capital.** The structure of investments in fixed capital also increases the complexity of fixed asset accounting in construction organizations. According to 2024 data, investments directed toward machinery and equipment amounted to 241,819.0 billion UZS, while investments in residential buildings, non-residential buildings, and other structures totaled approximately 218,700.0 billion UZS.

Calculations show that machinery and equipment accounted for about 33.9% of total investments, while buildings and structures represented around 30.7%. In addition, investments in transport equipment amounted to 36,700.8 billion UZS, and information and communication technology (ICT) equipment accounted for 7,970.3 billion UZS. This indicates that fixed asset accounting in construction organizations cannot be limited only to buildings and structures, but must also

include accurate classification of specialized machinery, vehicles, digital equipment, and certain intangible components.

**Structure of financing sources.** The structure of financing sources also provides important scientific insights. In January–September 2025, 90.3% of investments in fixed capital were financed through decentralized sources. Of this, 15.9% came from enterprises' own funds, while 66.5% was financed through foreign investments and loans.

These figures show that in construction organizations, the formation of fixed assets heavily relies on external financing sources such as leasing, borrowed funds, and investor capital. Therefore, in accounting practice, it is essential to properly document factors such as the source of the asset, the date of acquisition, customs and transportation costs, capitalization of interest expenses, and exchange rate differences related to imported equipment.

**General conclusion of statistical analysis.** In general, official statistical data indicate that fixed asset accounting in construction organizations is not merely a technical accounting process, but rather a complex management-accounting system closely linked to investment activity, asset renewal, depreciation levels, and financing sources. In particular, the high renewal rate, significantly higher disposal rate compared to the national average, and the large share of machinery and equipment make it necessary to improve inventory procedures, depreciation methods, revaluation practices, and analytical accounting registers in this sector.

### **Conclusion**

Fixed asset accounting in construction organizations is one of the most important areas of enterprise activity, as it reflects the state of production capacities, the level of technical provision, and the reliability of financial results. The analysis shows that in the construction sector, the composition of fixed assets is complex, their movement is dynamic, and the renewal process is rapid. Therefore, particular importance should be given to the proper recognition of fixed assets at initial cost, the justified calculation of depreciation, the correct classification of repair costs, the regular conduct of inventory procedures, and the timely disposal of obsolete assets.

The effective organization of fixed asset accounting in construction organizations enhances cost transparency, strengthens financial discipline, and ensures the accuracy of management decisions. Especially in conditions of increasing investment volumes and a high share of machinery and equipment, accounting should not be viewed merely as a recording tool, but rather as a management mechanism that supports the strategic development of the enterprise.

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