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ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

DIRECTIONS FOR THE IMPROVEMENT OF MANAGEMENT ACCOUNTING IN THE SERVICE SECTOR

Speciality: 5303.01- “Accounting”
Field of science: Economic Sciences

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INTRODUCTION

Relevance and development of the research work. Tourism plays a leading role and develops dynamically in the common development of the fields of economics in modern period. The hotel business directly and indirectly ensures the creation of jobs and the flow of foreign currency by being one of the types of economic activity. The process of adopting new concepts of hotel business and modernization of old ones is taking place in the world. Hotel business enterprises are included in the service sector and have unique characteristics in terms of organizing economic activities, protecting consumer rights, and meeting the requirements of legislation on accounting. Despite the active work of legislative bodies on improving the normative base of accounting and taxation, it requires the study of many issues on the theory and practice of accounting, which involves the formation of new information providing of management in connection with the changes in the organization and management of the hotel business in modern conditions even today.

Special mention should be made of the "Socio-economic Development Strategy of the Republic of Azerbaijan in 2022-2026", which was adopted in connection with the development of the specialized tourism industry in the republic. The development of a high level of infrastructure, as well as the development of hotels and hotel-type facilities at optimal prices related to the development of tourism in Baku and other cities for the years 2020-2025 in the Strategic Road Map envisages by taking into account that the hotel business is considered the leading sector of the tourism industry. At the same time, the successful solution of the tasks set in “Azerbaijan 2030: National Priorities for socio-economic development” (Decree of the President of the Republic of Azerbaijan, 02.02.2021) will stimulate the development of the national economy as a whole, including tourism. In this field, the necessity of improvement of management and accounting being one of its leading elements, especially management accounting has come to the forefront.

According to the decision of the Ministry of Finance of the Republic of Azerbaijan (30.01.2017) on the "Rules for conducting accounting according to the International Standards of Financial Statements", the control and analytical function of accounting is of great importance, and the implementation of those functions will allow the protection of the interests of the owners of the capital, as well as other users of the information presented in the financial report. Approaching the issue from this aspect, it is necessary to emphasize that the cost management process realized in the management accounting system is of great importance. Effective organization of the mentioned issue is possible in conditions of maximum compliance with the scale and character of the enterprise's activity by taking into account the area of the accounting process.

It should be especially noted that accounting in hotel-hotel complex enterprises has certain characteristic features. These features include several types of activities performed within the framework of hotel services - accommodation, food, transportation, organization of rest. In this regard, organization of efficient management accounting assumes importance by taking into account the specific characteristics of the hotel business. First of all, this is explained by the insufficient development of the legislative base regulating the organization of accounting in the hotel business and the lack of clear definition of organizational foundations, production and tax accounting rules, which allow the formation of professional judgments (probabilities, thoughts) of specialists in each specific situation, but at the same time increase the responsibility of the management team in case of making an incorrect decision.

It should be noted that the level of complexity and volume of the information massive that should be processed as a result of the accounting of costs related to the provision of hotel services determined the necessity of organizing the process of collecting information, improving the development of their interpretation methods, as well as increasing the speed of delivering such information to users according to the given parameters. At present, the attempts to solve those tasks through the application of budgeting elements in the accounting process by individual economic entities do not solve the problems of organizing effective management accounting that will ensure the formation of timely and objective information about the production processes, costs related to them, the possibilities of achieving high quality of services provided in the conditions of the optimal ratio of cost and result.

The USALI (Uniform System of Accounts for the Lodging Industry) standard, created by the American Association of hotels, is widely used in the management of the international hotel business. The application of this model of management accounting in the hotel business is associated with the development of hotel service provision technology, increased attention to environmental standards, globalization of the economy, including the development of the hotel network, cluster provision of services (provision of a complex hotel product), improvement of service movement channels, etc. factors.

"USALI: Hotel management accounting" is a management accounting standard for hotels, restaurants and SPAs (complex relaxation procedures), a set of indicators for hotel activity analysis and management. It is based on the basic principles of accounting separately for responsibility centers (income and cost centers), standardization of the indicators reflected in the accounting and management report, planning of financial and economic activities, determination of its efficiency and budgeting for control purposes. allows to form, to obtain data in a generally accepted format for hotel businesses in the world, and to plan and evaluate the results of the work of each department, comparing those indicators with the average field indicators. Studying the foreign experience of organizing management accounting in the hotel business according to USALI makes it possible to form such an idea that the adaptation of its results to the conditions of the country will allow obtaining information about the formation of incomes and expenses, taking into account the requirements of the legislation of the republic and the development trend of the market economy in our country.

Thus, using the elements of the accounting method as a basis, the implementation of the tasks of forming an efficient management system of expenses and income within the framework of management accounting will create an opportunity to increase the competitiveness of hotel business enterprises by constantly improving the quality of the provided services. Summarizing the above-mentioned ideas, it should be emphasized that the necessity of solving the problems related to the development of theoretical and methodological issues of management accounting in the hotel business characterized the relevance of the research.

The essence of services as an economic category in the field of economic theory, including its theoretical and methodological directions, the hospitality industry in various opinions (explanations) has found its place in the scientific works of Alirzayev A.G., Ayyubov A.A., Afandiyeva N. N., Kotler F., Walker D.R., Baryshev A.F., Durovich A.P., Kabushkin N.I., Yakovlev G.A. and other famous economists.

The organization of the hotel business structure, methodological approaches to collecting information and compiling it in a convenient form for users, and some issues of organizing production and management accounting were discussed by the well-known economists of the republic: Abbasov G.A., Sabzaliyev S.M., Jafarov E.O., Guliyev V.M., Sadigov A.S., Salahov A.S., Bilalov B.A., Jabbarov A.Kh., Abbasova S.A., Hajiyev H.A. and others, as well as in the research works of foreign economists Atkinson E.A., Anderson X., Drury K., Bakanov M.I., Ivashkevich V.B., Ilysheva N.N., Feoktistov I.A., Karavanova B.P., Karpova T.K., Larionova A.A., Popova L.V., Paliy V.F., Samopalnikova Y.N., Terekhova V.A., Vakhrushina M.A., Sheremet A.D. and others.

However, it should be emphasized that, despite the research conducted, methodological and conceptual approaches to the management of the hospitality industry, including the hotel business, have not been sufficiently developed, including the problem of applying a comprehensive approach to the formation of an information base to increase the efficiency of management accounting in the hotel business enterprises of the republic has not been sufficiently solved. The above-mentioned determined the necessity of studying these problems and determined the choice of the dissertation topic, its purpose, objectives, and content.

The object and subject of the research. Management accounting in the hotel business serves as the object of dissertation research. The subject of the research is the theoretical, methodological and practical issues of management accounting and aspects of improving its organization for the purpose of effective management of enterprises operating in the hotel business sector.

The aim and objectives of the research. The purpose of the dissertation research is to develop practical proposals for the organization of a modern management accounting system in the hotel business, the formation of production reports and improving budgeting. In accordance with the purpose of the research, the following tasks have been identified:

- to identify the classification of hotel services, taking into account the basic conceptual apparatus used in the hotel business and the composition of factors affecting a specific type of service;
- to clarify the classification of costs for the provision of services in the direction of the efficient organization of management accounting, taking into account the specifics of the hotel business, to prepare proposals for improving the methodology for their accounting and calculating the cost of hotel services;
- to determine the structure of management reporting by responsibility centers in hotel business enterprises and to substantiate proposals for the formation of a structural system of internal reporting that meets the information needs of management in accordance with the requirements of the international USALI system;
- to substantiate methodological proposals for the use of additional subaccounts in the existing Chart of Accounts of Accounting in order to detail accounting for important types of activities and the methodology for compiling a budget plan for each responsibility center in accordance with the developed reporting formats.

The methods of the research. The theoretical basis of the study is the laws of the republic regulating the activities of hotel business enterprises and the organization of accounting and reporting, normative and methodological materials, International Financial Reporting Standards, the Uniform System of Accounts for the Lodging Industry (USALI), economic theory, research works of republican and foreign specialists in the field of methodology and organization of accounting (management) accounting and reporting.

The sources and information base of the study were the financial statements and management accounting organization experience of “Marriott”, “Hilton”, “Hyatt Regency” and other well-known hotels, official publications of the Azerbaijan State Tourism Agency and other sources.

Theoretical research methods - analysis and synthesis, induction, deduction, systematic approach and other scientific research methods were used in the dissertation work.

The principal provisions put forward for defense:

– to identify the basic conceptual apparatus used in the hotel business and the classification of hotel services;

– to clarify the classification of costs for services provided, taking into account the specifics of the hotel business, in order to effectively organize management accounting, to prepare proposals for improving their accounting and the methodology for calculating the cost of hotel services;

– to determine the structure of management reporting on responsibility centers in hotel business enterprises and to substantiate proposals for the formation of a structural system of internal reporting that meets the information needs of management in accordance with the requirements of the international USALI system;

– to substantiate methodological proposals for the use of additional subaccounts in the existing of accounts of accounting in order to detail accounting by types of activity and the methodology for compiling a budget plan for each responsibility center in accordance with the developed reporting formats.

Scientific novelty of the research. In the process of research, practical proposals were developed for improving management accounting in hotels, which are one of the leading sectors of the hospitality industry of the service sector. Specifically, the following scientific innovations can be noted:

- the content of the concepts of the hotel industry and hotel services as an object of accounting management accounting was clarified;

- the composition of responsibility centers, including income and cost centers, for the collection and generalization of information in management accounting and reporting in this area, taking into account the characteristics of the hotel business, was substantiated;

- the classification of expenses, their accounting objects and calculation of the cost of services were clarified, taking into account the technological and organizational features of the implementation of hotel services;

- the structure and forms of accounting (management accounting) reporting of hotel sector enterprises on selected responsibility centers were proposed, taking into account the unified requirements of the Unified Accounting System (USALI) for the hotel business;

- a working plan in an eight-level format was developed, detailing the generalization of information reflected in synthetic accounts on income and expenses in the hotel enterprise as a whole, as well as in its branches (for selected responsibility centers);

- proposals for the development of a budget plan for each responsibility center and the improvement of management information support were substantiated.

Theoretical and practical significance of the research. Identification of the main concepts used in accounting management in the hotel business, disclosure of the features of conducting management accounting and forming management reports complements the theory and methodology of modern management accounting by organizing the theoretical significance of the results obtained. The practical significance of the research is characterized by the fact that the methods and practical proposals developed in the dissertation can be used in the practice of organizing management accounting in order to improve the competitiveness of hotel complexes and the quality of the services they provide. The materials of the research can act as an information support for the management of the activities of hotel sector enterprises, as well as can be used in the preparation of methodological support for teaching and accounting-analytical subjects in the specialties of "Economics" and "Management" in higher educational institutions.

The approbation and application of the research work. The results obtained in the research work have been adopted for use in the practical activities of the hotel system and are currently being applied in some hotels. The main scientific foundations of the dissertation and the results obtained as a result of the research have been reflected in 7 articles and 4 theses published in the materials of international conferences and local and foreign journals.

The name of the organization where the dissertation has been accomplished. The work was performed at the department of the “Finance and Audit” of Azerbaijan State University of Economics.

The volume of the structural sections of dissertation separately and the total volume with the character – is conditioned with the logics, aim and objectives of the research of dissertation. The structure of dissertation consists of introduction (14967 characters), three chapters (I chapter - 89697 characters, II chapter - 51310 characters, III chapter - 62905 characters), conclusion (13615 characters) and list of 131 used literatures. 17 tables, 15 figures and 7 additions have been compiled for the results of the dissertation. The total volume of the dissertation consists of 145 pages (232494 characters).

CONTENT OF THE DISSERTATION

MAIN CONTENT OF THE RESEARCH WORK

1. The essence of the hotel business, theoretical foundations of the organization of management accounting in the hotel business

The hotel business is one of the main sectors of the service sphere, which is experiencing rapid growth in the country's economic development. It should be noted that the development of the hotel business is closely related to the development of tourism. Based on the data of the State Statistics Committee of the Republic of Azerbaijan, an analysis of the dynamics of the development of the hotel network, which is the main object of the hospitality industry in the republic, allows us to form the opinion that, the number of hotels and hotel-type enterprises increased by 27%, their one-time capacity by 21% for certain reasons (the pandemic sweeping the world, as well as political instability, etc.), in 2022, compared to 2019, but the number of people accommodated in hotels decreased by 11.6%. The decrease was observed in the number of employees (1.3%), in the income of hotel-type facilities (21.1%), including 28.8% from the sale of rooms, as well as in the amount of services provided to foreigners and stateless persons (45.4%), and in the costs incurred for the production of products and services (3.8%). Due to the decrease in income, the amount of taxes paid to the budget also decreased by 44.4%.

In the context of globalization of the economy and digitalization with the widespread use of information technologies, as in other sectors of the national economy, the improvement of the management system in service sector enterprises, including the hotel business, and its main element, management accounting, is of great importance. In our opinion, management accounting is a system of collecting, systematizing, processing, evaluating, measuring and presenting information about the economic activities of the enterprise as a whole and its structural units in tabular, graphical and textual form for the purpose of planning, controlling, analyzing and managing activities (Figure 1).

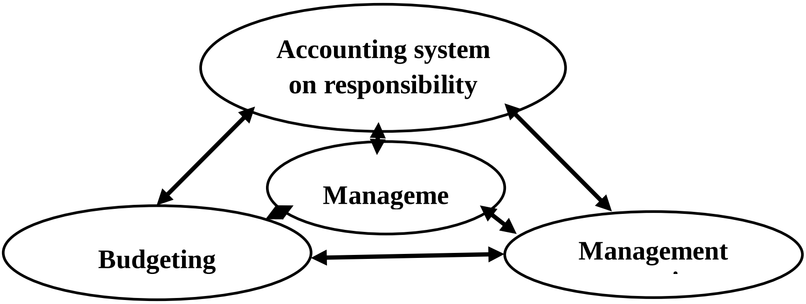

Figure 1. Three interrelated systems of management accounting
Source: scheme compiled by the author

In international practice, the Uniform System of Accounts for the Lodging Industry (USALI) standard is widely used for the hotel business. The purpose of this system is to determine the efficiency of the hotel's departments, control over costs, strictly observe the principle of division of responsibility, effectively solve management issues such as planning income and expenses based on department budgets, tax and financial planning, and break-even and cost-effectiveness analysis. Of course, despite all its advantages and positive aspects, the USALI system is not ideal and there are certain objective obstacles to its free use. One of the disadvantages of the system in question is its tendency to complicate financial reporting.

2. The organization of management accounting in the hotel business, the modern state of income and expense accounting

Taking into account the requirements of the USALI system, revenue centers (number pool, additional services, building rent) and cost centers (administration, sales and marketing department, economic department, legal department, supply department, technical service, human resources management, accounting) are distinguished for the preparation of management report. Management of economic entities requires the operational and coordinated work of accounting and economic service departments in order to obtain more analytical information about the costs of the organization as a whole and its individual responsibility centers. In the direction of organizing management accounting in the hotel business, calculation should be used to determine the cost of hotel services, management control over the profitability of the room fund, and internal assessment of the efficiency of the work of hotels.

The calculation of costs for the formation of a hotel product occurs on account No. 202 "Production reserves". Analytical accounting of the costs of the formation of a hotel product is based on the price of an individual order or orders. If the organization has separate divisions that perform individual work, and the services used in the formation of a hotel product (hotel complex, rest house, transport services, etc.) are provided, their costs are reflected in subaccounts 202-5 "Auxiliary raw materials used in production", 202-6 "Auxiliary materials used in production" and 202-7 "Costs for personnel engaged in auxiliary production". Therefore, direct (alternative) costs are concentrated by hotel companies on accounts No. 721 "Administrative expenses", No. 711 "Commercial expenses", 731 "Other operating expenses". Indirect cost accounting is formalized with the accounting entries Dt 202 "Production reserves", Kt 711 "Commercial expenses", 721 "Administrative expenses", 731 "Other operating expenses".

When the income earned from the hotel service is recognized, it is formalized through the following accounting entry: Debit 171 "Long-term receivables from buyers and customers" or 211 "Short-term receivables from buyers and customers". Credit 601/1 “Sale of goods”. If individuals pay for the services they use with a credit card, account number 222 "Transfers on the way" is used and it is formalized with the following entry: Debit 222 "Transfers on the road" Credit 601/1 "Sale of goods".

Financial results in the hotel service are determined by means of account No. 801. Account No. 801 "Total profit (loss)" shows costs and losses in its debit, and income and profit in its credit.

3. Analysis and analytical evaluation of hotel business efficiency

Financial responsibility centers are groups of departments, and each department is responsible for its own activities, and its tasks are to contribute to the increase of profitability, while at the same time, the cost limit defined here must be observed. The efficiency of the operation of the hotel complex depends on the correct coordination of the activity of each of its structural units, and its management should be carried out in such a way that it is possible to achieve the maximum goal with the productive use of resources.

Key performance indicators (KPI) of the hotel are given in the USALI standard in 3 sections under the title “Financial indicators and operational metrics”. In the process of evaluating the activity of hotel enterprises, value and natural, quantitative and qualitative and volume indicators are used - revenue from the room stock (RmRev), hotel occupancy rate (OCC), average number of guests per room (Double Occupancy), average daily price-tariff (ADR), average revenue per room (RevPAR), total revenue per room (TRevPAR), revenue per reserved room (RevPOR), costs per sold room (CPOR), a daily (weekly, monthly, yearly) revenue per guest (RevPAC), gross operating profit (GOP), gross operating profit per number available for sale (GOPPAR), revenue per employee (TrevPE), earnings before interest, taxes and depreciation (EBITDA) indicators are used.

Using the input data of the hotel complex, it is possible to assess the efficiency of its work based on key performance indicators (KPI) (table 1). As can be seen from the data in Table 1, the occupancy rate in 2023 increased by 2.76% and 3.45%, respectively, compared to 2021-2022. This increase was also observed in the average room price: 4.08% and 3.14%. As a result, the average revenue per available room (RevPAR) increased by 8.17% and 8.24% over the analysis period, and the total revenue (TRevPOR) increased by 15.19% and 7.56%, respectively. It is clear from the data in the table that in 2023, the average revenue per sold room (RevPOR) increased by 10.84% compared to 2021, by 2.49% compared to 2022, and the costs (CPOR) increased by 3.64% and 1.47%, respectively. The hotel is ready for sale due to an increase in its gross operating profit (GOP).

This growth trend will undoubtedly have a positive impact on the financial position of the hotel complex, increasing its liquidity and financial stability.

4. Formulation of accounting policies for management accounting purposes and improvement of the budgeting system in the hotel business

The development of the forms of accounting registers of the management report should ensure easy reading, necessary analytics, comparison of plan and actual levels, and bringing together current data with information collected from the beginning of the year, taking into account the standards in accordance with the Uniform System of Accounts for the Lodging Industry (USALI). The main purpose of compiling the management report is to form a management report on responsibility centers and draw up a budget plan for these centers. The structure of the management report on responsibility centers, developed and proposed for application by the author, will allow the technical management team to use a detailed report on each income (expense) center, the general report on the income (expense) center at the management level of the management team, and the summary report on financial results in the deficit of income and expenses by top management.

Table 1. Analysis of hotel performance indicators (KPIs)

№	Indicator	2021	2022	2023	Deviation in 2023, %	
					Compared to 2021	Compared to 2022
1.	Number of available numbers	52925	52925	52925	-	-
2.	Number of sold numbers	37230	36865	38690	3,92	4,95
3.	Occupancy of numbers (OCC), %	70,34	69,65	73,10	2,76	3,45
4.	Average daily price of the number (ADR)	164,35	165,86	171,06	4,08	3,14
5.	Average revenue per available number (RevPAR)	115,61	115,53	125,05	8,17	8,24
6.	Average revenue per number sold (RevPOR)	314,15	339,76	348,22	10,84	2,49
7.	Total revenue per available number (TRevPAR)	220,99	236,66	254,56	15,19	7,56
8.	Cost per number sold (CPOR)	126,96	129,67	131,58	3,64	1,47
9.	Gross operating profit per available number (GOPPAR)	58,13	80,68	86,39	48,62	7,08

For the purpose of management accounting, the issues of opening detailed accounts for cost accounting and determining controlled costs for each responsibility center are of special importance. Approaching the issue from this aspect, it is suggested to code the first and second segments using existing accounts and sub-accounts. Thus, in the first group, three marks are allocated for the synthetic account, in the second group, two grades are allocated for accounting in the sub-account section, and in the third group, four grades are allocated for the detailed reflection of information on analytical accounts. The last four levels are important for reflecting information in accordance with the USALI standard, as they reflect the list of items used in the management report. The segment has a three-digit structure. The structure of analytical codes is compiled depending on the logic of the synthetic account (first segment). For example, if the synthetic account is income, the opening of income types should be reflected in the analytical part, if the synthetic account is expenses, then information about expense types is reflected in the subaccounts.

It should be noted that the budgeting system in the hotel business has a special character, which is conditioned by the provision of all logistics of accommodation, catering and other services. During budgeting, important principles such as the unity of the budget system, the completeness of the reflection of expenses and revenues, the separate calculation of inter-budget expenses, expenses and revenues, the hierarchy of the budget system, the purposeful nature of expenses, the balancing of budget systems, individual responsibility for the preparation and execution of budgets, and the collegiality of budget preparation should be observed.

5. Development of complex internal reporting forms for hotel business enterprises in the context of digitalization

The management reporting system, being one of the more complex and important elements of the accounting system, provides for the generalization of information and its presentation to decision-makers on the management of an economic entity. Currently, the transition to analytical reporting forms using digitalization is very important for substantiating management decisions at various levels of management. Currently, the market offers dozens of different PMS: Micros Fidelio, Lodging Touch, Epitome PMS, Amadetis PMS, Edelweiss, Hotel 3, KEI Hotel, etc.

The program "1C: Hotel management" is widely used in most local hotels and hotels of the republic. The program in question includes number pool, check-in periods, residence history, room cleaning, etc. provides work with various reports. At the same time, it should be emphasized that the "1C: Hotel Management" program intended for hotel automation allows connection to the "1C: Accounting 8" system.

The "Marriot Hotels" hotel complex, the materials of which were used in the research process, uses the Epicor Scala software. The Epicor Scala Hospitality PMS interface provides the necessary integration for direct data collection from the registration desk and other integrated systems (for example, mini-bar and telephone usage). Effective cash handling and integration of ERP and POS systems can impact the hospitality industry's bottom line. At the same time,

At the same time, Epicor iScala Hospitality has flexible integration with POS systems that can support most POS solutions, including Micros, Info Genesis and Maxis. The iScala Hospitality Reporting Tool combines multiple sheets, daily and periodic reports, providing an improved view of daily activities for budgeting, forecasting and analysis using the latest information. iScala Service Connect avoids re-entering data. Using all the capabilities of a Microsoft SQL database server on Windows NT, Novell Netware, and UNIX platforms characterizes the advantages of the iScala system, and using a system called Epicor Service Connect within iScala can increase its flexibility. Another advantage of the system is characterized by protocolization of changes and impossibility of erasing given documents and records without a trace, provision of cross-flow of information and division of tasks.

One of the components of the internal information system using accounting software is the form of information presentation. The unified forms of the said reports or any requirements (conditions) for the content and structure of those reports are not provided in the legislation, and therefore the content of the internal report forms is determined individually for each enterprise.

Depending on the responsibility center under review, the report may contain different income and expense indicators. According to the author, this form of reporting will allow for prompt evaluation of income by revenue centers (table 2).

Table 2. Proposed reporting form for revenue centers (by reporting period)

Same period last year	With increasing total since the beginning of the year		Disposal	Income, expense items	Reporting period		Disposal	Same period last year
Fact	Budget	Fact			Budget	Fact		Fact
				Income				
				Total income				
				Expenses				
				Total expenses				
				Marginal income				

At the same time, the reporting format that will allow for an operational assessment of expenses by cost centers is as follows (table 3).

Table 3. Proposed reporting format for cost centers (for example, “Administrative apparatus”) (by reporting period)

Similar period of the previous year	With the total increasing since the beginning of the year		Disposal	Income, expense items	Reporting period		Disposal
Fact	Budget	Fact			Budget	Fact	
				Board expenses Salaries Staff training Consulting services Teaching literature Postage Telephone Stationery Travel expenses Software Contractual services Other			
				Total expenses			

The proposed form of the summary report on financial results allows us to assess the overall efficiency of the activity (table 4).

Table 4. The proposed form of the summary report on financial results (by reporting period)

Similar period of the previous year	With the total increasing since the beginning of the year		Disposal	Income, expense items	Reporting period	Disposal	
Fact	Budget	Fact			Budget	Fact	
				- <u>income</u> - number fund; - additional services; - rent			
				Total expenses			
				Direct expenses - number fund; - additional services; - rent			
				Total of direct expenses			
				Marginal income			
				Unallocated indirect costs: - management; - sales department; technical department			
				Total indirect costs			
				Total profit			
				Conditionally fixed costs: - property tax; - depreciation; - insurance			
				Total fixed costs			
				Profit before tax			

As a result of the research work, the following results were obtained and certain proposals were put forward:

The hotel business, as a high capital-intensive business area with specific and different characteristics, requires the efficient organization of management accounting in economic entities, the proper management of all types of resources. The following conclusions and proposals based on the research we conducted in this direction can be noted.

1. On the basis of the analysis of the approaches of numerous experts regarding the concepts of "hotel" and "hotel service" of the hotel business, it is possible to form such an opinion that the hotel business is an entrepreneurial activity that develops in the field of hospitality industry and is aimed at solving the issues related to the temporary accommodation and food needs of citizens, as well as domestic service and leisure time. Hotel service is the result of tangible and intangible activities aimed at satisfying the physiological, social and spiritual needs of hotel guests in close connection with health, transport, trade, tourism, culture and telecommunication spheres in the hospitality sphere. In our opinion, although we can agree with such a description of "activity", this definition does not reflect how the service is transformed into a commodity, how its two main and classic characteristics – consumption value and cost – are determined. For this reason, hotel services can be characterized as well-being provided to customers in order to satisfy their needs from the moment of interaction with the hotel.

2. Hotels located in European countries are regulated by the standard of the Economic Council for Trade, Commerce and Industry of Europe (ETICS). The main purpose of this standard is to ensure the quality of the management system in all hotels and hotel-type residences in accordance with the requirements of European Union standards, efficient management of hospitality business, HACCP in hotels in the field of health issues, ISO 9001: 2008 "Quality management system", ISO 18001 "Management of safety systems" ISO 22000 or FSSC 22000 "Food products to ensure that the

requirements of safety standards are met. The tourism market in the republic is regulated by the AR Law "On Tourism" (year 2021).

3. Globalization of the economy, extensive use of information technology has brought to the fore the need to improve the management system in hospitality industry establishments. Management accounting is the identification, analysis, measurement, collection, systematization, interpretation and transmission of information necessary for the management of any object. Management accounting includes three interconnected systems: accounting system for responsibility centers; budgeting system; management reporting system. Currently, in the hospitality industry system, the unified accounting system originally developed in the United States (USALI) is widely used, where revenue and expense accounting is carried out separately for each responsibility center, it is preferred to calculate the cost according to the standard-cost and direct-costing system.

4. The calculation of costs for the formation of the hotel product is carried out in account No. 202 "Production resources", their analytical accounting is based on the price of individual orders or orders. If services are provided in separate divisions of the organization (hotel complex, rest house, transport services, etc.), the costs are reflected in the corresponding subaccounts of that account. Therefore, direct (alternative) expenses are collected by hotel companies in the accounts No. 721 "Administrative expenses", No. 711 "Commercial expenses", 731 "Other operating expenses".

It should be noted that cash income from hotel services is reflected in sub-account No. 601-1 "Sale of goods", synthetic accounts No. 171 "Long-term receivables from buyers and customers", No. 211 "Short-term receivables from buyers and customers", No. 221 "Cash", and No. 222 "Transfers on the way". The financial results of hotel facilities are determined through account 801, and the debit of this account reflects expenses and losses, and the credit reflects income and profit.

5. During the analysis of the efficiency of the hotel complex, the evaluation coefficients of the activity results and the management of the sales policy are used. These coefficients provide a complete

picture of how effective management is. In the process of evaluating the efficiency of the hotel business, the main leading indicators are used, such as the income from the room pool, the load factor of hotel rooms, the average number of guests staying in one room, the average price of a room, the average daily rate of return of a room, the average amount of income per room, the income per occupied room, the net rate of return of the room, the total operating profit, EBITDA, the net profit per room available for sale, the cash income per employee.

6. For the purpose of management accounting, the issues of opening detailed accounts for cost accounting and determining controlled costs for each responsibility center are of special importance. Approaching the issue from this aspect, it is considered appropriate to use the number of accounts and sub-accounts in order to ensure the maximum possible consistency when coding the first and second segments. So, in the first group, three marks are allocated for the synthetic account, in the second group, two grades are allocated for accounting in the sub-account section, and in the third group, four grades are allocated for the detailed reflection of the information on analytical accounts. The last four degrees are important to reflect the information according to the USALI standard.

7. Today, it is impossible to imagine management accounting without an automated system, and this includes hotel (hotel) management system (PMS), sales points - restaurant management system, hotel, hotel resource management system (ERP), accounting systems. The "1C: hotel management" program is widely used in most hotels and resorts of the Republic. The program in question supports work with various external systems: for arranging access to the number through magnetic cards, systems for charging telephone calls, payment authorization networks, fiscal registrars, etc. The "1C: Hotel Management" program intended for hotel automation allows connection to the "1C: Accounting 8" system.

Epicor iScala software is used in famous foreign hotel complexes operating in the Republic, including the hotel complex "Marriot Hotels" whose data we use. Providing full accounting of local features, Epicor iScala Hospitality integrates financial management, material resource management, financial consolidation mechanisms for multiple venues and multiple companies, accountability and budgeting mechanisms. iScala Service Connect features the advantages of the iScala system, the impossibility of data re-entry, logging of changes and the impossibility of erasing given documents and records without a trace, ensuring the cross-flow of information and the distribution of tasks.

It should be noted that when choosing a management accounting automation program, it is necessary to pay attention to the programs currently available in the market and popular among specialists, access to the software, the ability to adapt to the characteristics of the enterprise, the possibility of training employees, and its suitability for future improvement.

8. There are no requirements (conditions) for the unified internal reporting forms or the content and structure of those reports regarding the forms of information submission. In this regard, the content of internal reporting forms is determined individually for each enterprise. Therefore, the report forms are prepared by the accountant-analyst in agreement with the heads of the relevant services and divisions. The report forms developed and offered by us will allow for prompt evaluation of incomes for revenue centers (number fund, additional services, facility rental), costs for cost centers (administrative apparatus, technical service, personnel department, accounting), financial results, will provide easy reading, necessary analytics, comparison of plan and actual levels, bringing current data together with information collected from the beginning of the year.

The principal content of the dissertation work have been reflected in the following articles and scientific works of the author:

1. Xərclərin uçotu sisteminin qurulması problemləri. Maliyyə və uçot, 2022/02, İSSN 2222-5358
2. Mehmanxana müəssisələrinin fəaliyyətinin idarə edilməsi məqsədi ilə informa-siya təminatı sisteminin formalaşdırılması. Geostrategiya Beynəlxalq ictimai-siyasi elmi-nəzəri jurnal № 06 (72), noyabr-dekabr 2022, İSSN 2664-4975

3. Issues of formation of accounting policy for the purpose of management accounting. Экономика и предпринимательства. № 11(148), 2022, İSSN 1999-2300
4. Azərbaycanda idarəetmə uçotunun mövcud problemləri və inkisaf perspek-tivləri. Azərbaycan D**ö**vlət İqtisad Universitetinin Elmi Xəbərləri, cild 11, iyul-sentyabr 2023, İSSN 2306-8426
5. İdarəetmə uçotunun təşkili problemləri və onların həlli yolları. Kooperasiya elmi-praktiki jurnal, №2 (69)-2023, İSSN 218-91-49
6. Management accountıng ın the hospıtalıty sector: operatıng statements and fınancıal statements. İnternational European Congress on advanced studies in basic sciences, amsterdam, netherlands, 26-28 July 2024. isbn:978-625-367-799-2, səh. 1210
7. Mehmanxana biznesinin səmərəliliyinin qiymətləndirilməsi metodikası. Azərbaycan Respublikası İqtisadiyyat Nazirliyinin və İqtisadi Elmi Tədqiqat İnstitunun təşkilatçılığı ilə “Yeni nəsil iqtisadiyyat: çağırışlar və perspektivlər” mövzusunda beynəlxalq elmi-praktiki konfransı, 04 oktyabr 2024-cü il. səh.499
8. KPI sisteminin tətbiqi mehmanxana müəssisəsinin səmərəliliyinin yüksəldilməsi aləti kimi. Ulu Öndər Heydər Əliyev tərəfindən “Auditor xidməti haqqında” Azərbaycan Respublikası Qanununun imzalanmasının 30 illiyi münasibətilə Auditorlar Palatası tərəfindən 2024-cü il 16-17 sentyabr tarixlərində “Yaşıl iqtisadiyyat zəminində hesabatlılıq və şəffaflıq” mövzusunda beynəlxalq elmi-praktik konfrans . səh.149
9. Otel biznesində idarəetmə uçotunun xüsusiyyətləri. Kooperasiya elmi-praktiki jurnal, Bakı- №4(75)-2024, səh. 170-176
10. Application of KPI system as a tool for improving the efficiency of a hotel enterprise. 7th International Mediterranean Scientific Research Congress to be held on January 9-11, 2025 / University of Valencia, Spain, 1169-1174

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