

Essences of Rental as an Object of Accounting

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Annotation: In this article, the author examined the issue of the need for rental relations in modern conditions. The author of the article will consider the history of the development of rentals. Since the development of further directions for improving the accounting of lease transactions is possible only if we study the history of the development of lease as an accounting category.

Key words: Rent, lessor, lessee, rent, leased property, lease agreement, leased objects, leased subjects, leasing, profitability, production efficiency.

In modern economic conditions, the effective functioning of an enterprise of any organizational and legal form, regardless of the type of activity, is a prerequisite for its existence; the activities of any enterprise must be profitable and the goal of any production is to make a profit.

At the present stage of economic development, many enterprises are faced with the problem of finding and attracting funds to expand production, purchase modern equipment, and introduce the latest technologies.

In a situation where it is difficult for enterprises to meet the needs for affordable credit resources through the banking system, rent is one of the most accessible and effective means of updating means of production.

The development of further directions for improving the accounting of lease transactions is possible only if we study the history of the development of this accounting category. It is the study of the history of rental development that allows us to reveal the economic essence of this category, understand its modern significance, comprehend previous experience and foresee directions for further evolution

In this article we will look at the history of the development of leases, which will allow us to formulate approaches to revealing the essence of leases as an accounting object.

Lease agreements have a fairly long history. According to current evidence, this history goes back about four thousand years: there is evidence of the use of rent in the ancient state of Sumer. The authors of the work "School of European Leasing" write: The authors of the School of European Leasing write: "Early tablets found in the ancient Sumerian city of Ur contain information about the lease of agricultural implements, land and water sources, oxen and other animals."

Other ancient civilizations, including the Greeks, Romans and Egyptians, considered renting an attractive, affordable and sometimes the only possible way to acquire equipment, land and livestock [1].

In many works of domestic and foreign authors on rental issues, the words of Aristotle are often cited, as early as 350 BC. in his treatise "Rhetoric" he noted that "wealth is not the possession of property on the basis of property rights, but the right to use it." Indeed, the possibility of using the necessary tools, rented, often makes it possible not to acquire them as property at all.

To somewhat paraphrase the words of the Italian thinker of the Middle Ages Nicolo Machiavelli, we can say that there is often no need to acquire what you do not have, it is only important to achieve the opportunity to take advantage of the benefits that do not belong to you, but are used by you.

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The legal, economic and economic mechanism of lease is described quite deeply and accurately in Roman law. According to him, various types of relationships fell under the concept of hiring. First of all, we were talking about property lease (*Locatio condictionum*), the essence of which was that one person, for a certain remuneration, granted another person the right to use a thing.

At the same time, we were talking about rent when income was provided not only in monetary terms, but especially “in the form of taking away natural fruits with it.” Anything that can be used could serve as objects of rental relations.

Roman law strictly regulated the duties and rights of both the landlord and the tenant. In particular, the lessor (*locator*) is obliged to promptly transfer to the lessee “the thing with its accessories” and provide him with an unhindered opportunity to use it for a specified period. He was obliged to keep the thing in good repair and bear the costs of its repair, as well as “the taxes and duties that lie on it.”

If the tenant spent money on the leased property, the landlord must reimburse him for those expenses because they were necessary or increased the profitability of the leased property. The lessor was responsible for identified defects in the property that prevented its proper use.

In turn, the tenant (*conductor*) was obliged to pay the lessor the established rent upon expiration of the period of use of the property or within the terms established by the contract. This obligation remained even if the tenant did not use the leased property for any subjective reason, if its use was possible at all.

If the use of the leased property was impossible due to the fault of the lessor or due to unforeseen circumstances, then he “... was relieved of his debt to the appropriate extent” [2].

The flexible mechanism of rental relations provided for a large number of options. The conditions and mechanisms for terminating rental relations were clearly regulated.

At the end of the lease, the tenant was required to return the property received. These examples lead to the conclusion that history has deeply and in detail known the proven mechanism of rental practice, which has largely been preserved to this day. The institution of leasing was widely used in subsequent eras in different countries of the world [3].

Thus, the ancient Phoenicians practiced renting sea vessels, the Venetians rented them out in the 11th century. Ship owners valued anchors at that time, and the crusaders rented military armor and equipment. 1284 The Welsh Charter legalized the lease of movable property; In 1571, an Act was passed in England that allowed the conclusion of lease agreements.

During the Industrial Revolution in England, there was a significant increase in the amount of property (mainly equipment) that was rented out. At the beginning of the 18th century. For the first time, a lease of personal property was registered in the United States. A significant increase in rental agreements, both in England and in the USA, was caused by the emergence and development of the railway network.

In the 19th century The object of rent was railway cars, which seemed to be separate companies to the owners of mines for transporting coal. This is how the tenant’s right to purchase property at the end of the lease period appeared [2].

The introduction of the term “leasing” into economic vocabulary is associated with the services of the Bell Telephone Company, whose management in 1877 decided not to sell its telephone sets, but to rent them out.

Since then, the term leasing began to be widely used in world economic practice to denote a complex operation consisting of the acquisition of property by an intermediary company and its subsequent lease.

The study of the system of rental relations showed that, in general, it had the following features:

1. continuity (reworked legislative acts that were issued earlier);



2. Borrowing certain articles and provisions from the legislation of a number of countries.

The complex of rental relations in the system of pre-revolutionary law was characterized by significant contradictions, which were associated, first of all, with the absence of a clear system of civil law in general.

Rental relations in all their diversity can only fully exist in an open market. Therefore, during the USSR this type of management did not develop. In the first years of Soviet power, practically no attention was paid to issues of civil law, and economic life was carried out in accordance with the laws and customs adopted in pre-revolutionary Russia.

With the acquisition of independence in Uzbekistan, the development of rental relations is associated with the creation of an appropriate legal framework. In 1990–1992 The widespread use of rentals was due to the fact that there was a moratorium on changing forms of ownership.

The transition to leasing was the only way out for enterprise teams to remove the enterprise from the direct directive control of ministries and departments, *что* increase the level of labor motivation and production efficiency. Regulation of rental relations was carried out on the basis of the legislative framework.

Having studied the essence of lease and comparing it with other types of property relations, it can be established that lease as an object of accounting is characterized by a set of business transactions that occur within a certain time, and, therefore, represents a process.

It begins from the moment of provision (acceptance) of the property, continues during the period of use, ends with the return or redemption of the leased object and all this time is accompanied by periodic payments.

Based on this, we can give a more precise definition of lease as an accounting object. Thus, leasing is an economic process that includes a set of rental transactions arising in connection with the provision (acceptance) of fixed assets for temporary use.

Lease operations are business transactions involving the provision or acceptance for temporary operation of leased objects, settlements between the tenant and the lessor, and the return of the leased object at the end of its term.

As a result of studying this issue, it was established that rental operations are business operations involving the provision or acceptance for temporary operation of leased objects, settlements between the tenant and the lessor, and the return of the leased object at the end of its term [4].

Thus, the article formulates the main factors that allowed rental operations to move to new stages of evolution and become the beginning of each new stage of its development, namely: the development of economic relations and the improvement of the legal field of economic activity. This made it possible to formulate approaches to disclosing the essence of lease in the system of accounting objects.

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