
THE NATIONAL BUDGET AND ITS COMPOSITION.**Samadar Siddiqzhanov**

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Abstract: *This article provides information on the concept of the country's budget and its contents.*

Keywords: *budget, chancellor, government budget, state budget, Defitsit, profit, expenses, executive body)*

Budget (from the Old Norman bougette meaning purse, bag, sack of money) is a financial plan for a certain entity (family, business, organization, state, etc.), established for a certain period of time, usually for one year. Approaches to the study and use of budgets vary depending on the sector of the economy: the corporate sector, the public sector or the household sector - in each of them the budget has its own characteristics that differ from others.

The word budget comes from the Gallo "bouge" and then the former French. "bougette", which was a small purse attached to the belt and containing small change that was used for everyday expenses.

The word came into use in England in the Middle Ages, where it was understood as the bag of the Chancellor of the Exchequer in which he presents bills and other supporting documents to Parliament, and later it gradually took on the meaning of a current "budget". The word disappeared from use in French for many centuries, and returned to French already in the 17th century. from the English language already in the modern sense of the word.

According to American professor Anthony Atkinson, a budget is a quantitative expression of cash inflows (revenues) and outflows (expenses) that predict the consequences of current operating decisions and the ability of the financial plan to meet the goals of the organization.

Types of budgets

The state budget

Main article: State budget

The state budget is the country's financial document. It is a summary of budget estimates for all departments, government services, government programs, and so on. It defines the

needs to be met from the state treasury, as well as the sources and amounts of expected revenues to the state treasury.

If planned government budget revenues exceed budget expenditures, then this is called a budget surplus (or budget surplus). If planned budget expenditures exceed revenues, then this is called a budget deficit (or budget deficit). When, during the execution of the budget, the level of the budget deficit exceeds the indicator established when the budget was approved, or there is a significant decrease in expected budget revenues, the representative body of government (based on proposals from the executive body) decides to introduce a mechanism established by law to reduce expenses. Such a “cut” of budgeted expenses is called sequestration.

Budget in the organization

Main article: Organizational budget

Budget is a document that describes the activities of the Financial Responsibility Center (hereinafter referred to as FRC) or a separate functional area (for example, sales, purchasing, production, etc.) for a certain period, expressed quantitatively in cost and/or physical indicators[4]. Main types of budget:

A functional budget is a budget compiled by the Central Federal District for a specific functional area for which it is responsible (for example: sales budget, purchasing budget, inventory budget, electricity budget, wage budget, etc.). The functional budget includes the limiting factor. “Limiting factor” is a factor that limits the capabilities of the Central Federal District in planning. For industrial central federal districts, the limiting factor will be sales volume. For the Central Federal District responsible for procurement, this factor needs to establish the volume of production. Functional budgets are formed in a certain sequence, in the same sequence as planning is carried out in the company. The main feature of functional budgets is that they can be expressed both in physical and monetary terms. Functional budgets lay the basis for all economic and financial modeling, since they operate with the plans of specific departments and central federal districts at the level of natural indicators.

Budget for the financial responsibility center. - is compiled on the basis of functional budgets, just as a construction kit is compiled from various parts, but in the end it takes on a finished form, so does this type of budget. It characterizes the work plan of the Central Federal District within the planning period in value terms in three types of activities: operating, financial and investment.

The management budget is the top-level budget, it is also called the Master Budget or the General Budget. Experts mean by this concept a combination of three budgets[6]:

budget of income and expenses (BDR);

cash flow budget (CFB);

budget on balance sheet (BBL).

Based on the nature of budgeting, there are two approaches:

“bottom-up” involves collecting budget information from performers to lower-level managers and then to the management of the organization.

“from top to bottom” requires the company’s management to have a clear understanding of the main features of the organization and the ability to form a realistic forecast for the period under review.

There are also other classifications of budgets, for example:

Long-term and short-term budgets;

Line-item budgets;

Budgets with a time period;

Flexible and static budgets;

Incremental budgets and budgets with a zero level;

General and private budgets.

Personal or family budget

Main article: Family budget

A personal budget or household budget is a financial plan that allocates future personal income to spending, saving, and debt repayment. Past expenses and personal debts are taken into account when creating a personal budget.

The activities of the state in the formation, consideration, approval, execution of the budget, as well as the preparation and approval of a report on its execution, are called the budget process.

If the planned revenues of the state budget exceed its expenditures, then this is called a budget surplus (or budget surplus).

The planned excess of budget expenditures over its revenues is called the budget deficit (or budget deficit). When, during the execution of the budget, the level of the budget deficit exceeds the indicator established when the budget was approved, or there is a significant decrease in expected budget revenues, the representative body of government (based on proposals from the executive body) decides to introduce a mechanism established by law to reduce expenses. This “cutting” of budgeted expenses is called sequestration.

State budget revenues are funds received free of charge and irrevocably in accordance with the current classification and existing legislation.

State revenues are generated through:

taxes levied by both central and local governments;

non-tax income consisting of income from foreign economic activity, as well as income from state-owned property;

income of target budget funds.

State budget expenditures are funds aimed at financially supporting the tasks and functions of state and local self-government.

Government expenditures can be divided into the following groups:

- a) military;
- b) economic;
- c) for social needs;
- d) for foreign policy activities;
- e) for the maintenance of the management apparatus.

system of generating income and expenses in state budgets. The state budget is the main instrument of the state's influence on the economy, the central mechanism for the redistribution of income. The revenue part is mainly generated from taxes, as well as loans and income from the sale of state property.

The budget structure depends on the government structure of the country, and the size and structure of government revenues and expenses depends on the type of socio-economic system, the size of the economy and the specific economic policy of the government.

In Russia, the budget system consists of three links: the federal budget, the budgets of the constituent entities of the federation and local budgets. The total budget of all levels is called consolidated. The system of relations between budgets of different levels is called fiscal federalism. The federal budget in Russia, as a rule, accounted for 55%-57% of all revenues, and subject and local revenues accounted for the rest. Transfers of part of the income from the federal budget to the subject budgets, and from the subject budgets to local ones, are called budget transfers. In terms of expenses, both parts of the budget are usually approximately equal. Taxes in Russia account for over 90% of all revenues. Main types of taxes: value added tax (VAT), profit tax, income tax, excise taxes, taxes on foreign economic activity. The main types of expenses: for the maintenance of the state apparatus, law enforcement agencies, the army, social expenses (primarily for pensions, health care and education systems), government investments, servicing received government loans.

Budget policy plays a very important, often key role in shaping the current economic situation in the country, in the development of the economy for the future, in the development of the social sphere, distribution of the tax burden and income of various segments of the population. The struggle over determining the size and structure of state budget revenues and expenditures, as a rule, is the central object of economic policy in any state.

The share of government budget expenditures in a country's GDP is the most general indicator of the role of the state in the economy. In developed countries it usually fluctuates

between 35%-40%, including in countries adhering to the “welfare state” policy (Scandinavia, Finland) - 40%-50%, in countries more oriented towards liberal economic policies (USA , Great Britain) – 25%-35%, in Russia – about a third of GDP.

If state budget revenues exceed expenditures, the budget is in surplus; if expenditures are greater than revenues, it is in deficit. The overwhelming majority of states have deficit state budgets. Borrowing is usually used to cover deficits. Chronic deficits in state budgets lead to the accumulation of public debt. To measure debt, as a rule, the ratio of government debt to GDP is used. Currently, the highest levels of accumulated debt are observed in Japan, Greece, Italy, Spain, the UK and the USA. The size of public debt in Russia is small.

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