INTRODUCTION TO ACCOUNTING SYSTEMS

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Resources:

- Hinke, Jana: Účetnictví podle IAS/IFRS, příklady a případové studie, Alfa Publishing,2006

- Hinke, Jana: Účetnictví podle IAS/IFRS, charakteristika účetního systému,Alfa Publishing, 2007

- Krupová, Lenka. IFRS: mezinárodní standardy účetního výkaznictví: [aplikace v podnikové praxi]:stav k 1.1.2009. 1. vyd., Praha:VOX, 2009,

- Other resources are available atv www. fek. zcu.cz / kfu

Level of business units:

- **Micro-units =** they are run only with its owners or with her / his family members,

- **Small and medium-sized units =** 5 - 250 employees, run its activity in home market (Czech Republic),

- **Macro-units =** more than 250 employees, run its activity in more countries, usually have subsidiaries;

Bookkeeping evidence in the CR

- **Micro-units =** tax evidence;

- **Small and medium-sized units =** bookkeeping according to the Czech accounting law

     - full evidence,

     - simplified range of evidence;

- **Macro-units =** bookkeeping in according with IFRSs

Description of bookkeeping evidence forms

- **Double-entry bookkeeping:**

  - **-** used to be for all units except micro-units,

  - **-** currently only small- and medium-sized units;

    - full evidence,

    - simplified range of evidence;

Legal regulations connected with accounting

- Accounting law

- Implementing regulations

- Czech accounting standards

Accounting regulation in future

- Micro-units = tax evidence

- Small and medium-sized units = IFRS for SMEs

- Macro units = IFRS in full version

World accounting systems

- EU´s accounting directives

- International accounting standards IAS/IFRS

- US accounting standards US GAAP

EU´s accounting directives

- Aim = harmonization of accounting systems in EU => economic cooperation;

  - - 4th Directive – financial statements,

  - 7th Directive – consolidated financial statements,

  - 8th Directive – audit

  - Directives have **„the right to choose"**

  - they were introduced in 70s - 80s, no novelization

International Accounting Standards

- The Interantional Accounting Standard Board was established in 1973

- Aim = to develop high quality and international accepted accounting standards;

  - - conceptual framework,

  - - international standards;

International Accounting Standard

- „purely" accounting standards

- generally accepted opinion of accounting professionals

- they are not obligatory, but ……… (EU, stock exchange, …)

- abbreviation – IAS / IFRS

  - - till 2001 = IAS

  - - after 2001 = IFRS

International Accounting Standards

- Currently:

  - - last IAS No 41

  - - last IFRS No 13

- Differences from Czech accounting systems: emphasis on true and fair view and substance over form

- Issue in CR: mainly tax law

Small and medium-sized units

- IFRS for SMEs (small and medium entities)

- Introduced in 2009

- aim = accounting harmonization of non-publicly traded units

- costs versus benefits

IFRS for SMEs

- text is consolidated from sections;

- small- or medium-sized enterprises:

  - is not publicly responsible and its primary action is not connected with the asset management for public users;

  - does not disclose its financial statements for external users;

US GAAP

- Introduced in 1929

- FASB – Financial Accounting Standard Board

- Based on customary law

- Obligatory only for public-traded unit but generally accepted and used…

US GAAP

- Its construction is similar with IAS/IFRS:

  - - fundamental postulates,

  - - accounting standards;

- Purely accounting systems

- Disadvantage / advantage of these systems – they are not connected with taxes

World Accounting Systems

- EU´s accouting directive

- International accounting standards IAS/IFRS

- American Generally accepted accounting

  standards US GAAP

Convergation process

= unification of accounting systems with the aim of creation one single world accounting system or to be based all on the same principles….

Accounting systems in future

- Novelization of EU´s Directives – they are not in contrary with IAS/IFRS

- Harmonization of IAS/IFRS with US GAAP…

- Czech Republic????

Thank you for attention ☺