

## CONCEPT: GAAP VS IFRS – MERCHANDISING

Laws/Standard Setting	
USA follows	<b>Generally Accepted Accounting Principles</b>
Standards set by	<b>Financial Accounting Standards Board</b>
_____ → _____	
International follows	<b>International Financial Reporting Standards</b>
Standards set by	<b>International Accounting Standards Board</b>
_____ → _____	

Merchandising	
Similarities between GAAP and IFRS: <ul style="list-style-type: none"><li>● Perpetual and periodic inventory systems</li><li>● Basic definition of inventory</li><li>● Multiple years comparable income statements:<ul style="list-style-type: none"><li>&gt; GAAP → _____ years</li><li>&gt; IFRS → _____ years</li></ul></li></ul>	Differences between GAAP and IFRS: <ul style="list-style-type: none"><li>● IFRS doesn't mention single/multi-step income statement</li><li>● IFRS allows revaluation of long-term assets to fair value<ul style="list-style-type: none"><li>&gt; These gains and losses are part of comprehensive income (not net income)</li></ul></li></ul>