

CONCEPT: GAAP VS IFRS – ANALYSIS AND INCOME STATEMENT PREPARATION

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

Analysis and Income Statement Preparation	
<p>Similarities between GAAP and IFRS:</p> <ul style="list-style-type: none">● Tools of financial analysis (horizontal, vertical, ratios, etc.)● Distinguishing operating and unusual items in income● Accounting for discontinued operations● Changes in accounting principle → Retroactive● Changes in accounting estimate → Prospective● Reporting comprehensive income	<p>Differences between GAAP and IFRS:</p> <ul style="list-style-type: none">● No significant differences!