

The thinking about the accounting information authenticity

Li Liu ^{1, a}, Qiaozhen Wei ^{1, b}, Dan Liu ^{2, c}, Yingnan Liu ^{1, d}

¹School of business administration, University of Science and Technology Liaoning, Anshan 114000, China

²Higher vocational and technical college, Anshan Normal College, Anshan 114001, China

^a497137576@qq.com, ^b1650632771@qq.com, ^c736968808@sina.com, ^d1337642780@qq.com

Abstract

First, in this paper I will discuss, the accounting information authenticity analyses intended as well as its various connotations and later discuss the limitations of the accounting information authentic, accounting information and accounting objectives and lastly but not least, the reality of the accounting information authenticity thinking.

Keywords

Accounting information, Authenticity, Limitations of Accounting Information, Accounting innovation, Accounting Information Authenticity Thinking.

1. Introduction

Accounting information authenticity of the concept of "Enterprise Accounting Standards" provides that: the authenticity of accounting should be based on actual economic business based truthfully to reflect the financial position and operating results. "Principle requires accounting accounted for at all stages must meet objective requirements; accounting recognition must be based on real economic activity; accounting measurement records the object must be a real economic business; accounting reports must reflect the true situation and shall not cover up anything.

Published in May 1980 by the U.S. Financial Accounting Standards Board (FASB) Statement of Financial Accounting Concepts Statement No. "accounting information quality characteristics, the decision-making of the usefulness of the two main quality characteristics summarized as the relevance and reliability, and pointed out that "the reliability of accounting information from the two to be separate characteristics that reflect the authenticity and can be nuclear information neutrality also has an effect and these two features together, affect its usefulness[1] ." which can be nuclear independent accounting personnel using the same accounting methods will draw highly consistent results. Neutrality information should not be predetermined results bias, is the development or implementation of a variety of criteria, should primarily be conscious of the relevance and reliability of the information, and not affected by the specific interests of those.

It should be noted that China "principle of truthfulness" refers to the reliability of the main quality characteristics, while in "Accounting Standards for Enterprises" just listed it as one of the 12 principles (although listed first), compared with the other principle, it does not show the status of the authenticity of the usefulness of the information. In addition, this principle should be called the "reliability" or "authenticity" has always been of different views. The main reason is that the "reliability" appropriate to and reliability than authenticity more accurately reflect the actual situation. Most scholars believe that, in order to facilitate the understanding of our accounting workers, known as the "authenticity" or better. In this issue, I think renamed the "reliability" or better. The reasons are as follows: <1> as the characteristics of the quality of accounting information, "reliable" is more precise than the "real", said the quality of "reliable" did not say that the quality of the "real". <2> "reliability" from the perspective of information users, and "authenticity" mainly from the perspective of accounting information provider. <3> richer connotation of "reliability". Accounting information to be reliable, it must be true; However, due to the presence of the selection of the accounting policies, the real accounting information may or may not be reliable. <4> Accounting

Information Quality in the United States, the reliability includes the authenticity of a hierarchy of quality characteristics, while filling some of our scholars confused, resulting in a number of accounting theory works virtues of reliability principles and true principle as two different principles. In addition, the International Accounting Standards Committee (IASC) on the framework of the preparation of financial statements "reliability" as one of the four main quality characteristics. Therefore, such a change is in line with international practice.

2. The limitations of the accounting information authenticity

In anything there are both positive and negative aspects, and authenticity is no exception. So, in order to fully and thoroughly understand the meaning of authenticity, it is necessary to dialectical method, from a negative understanding of this problem, this is the limitations of the accounting information authenticity.

First, accounting information is historical information. Accounting information is a reflection of the economic activities of enterprises that has been completed in the past; its authenticity is a true reflection of past economic business, the "authenticity" of the past. Authenticity and the relevance to constitute useful decision making two major quality characteristics of this reflects the general characteristics of accounting information, but the decision is related to the company's future. Therefore, the real accounting information useful for decision-making, you must enter the prediction model, calculated forecast of accounting information. If the input process, input error or prediction model is problematic in itself, it will make this a real accounting information to reduce the role of decision-making, and even lead to policy mistakes.

Historic accounting information is also reflected in the asset recognition and measurement of the elements of the majority is to establish the basis of historical cost, in the case of a price change, there will be between the historical accounting information and corporate reality of the financial position, operating results differences. In view of this situation, the accounting theory has been seeking new methods to price changes accounting. Current cost, so that the accounting information to improve, but it will not certainly involve too much because the current cost factors and the authenticity reduce. Because "reliability and relevance are often mutually impact reliability may be weakened in order to strengthen related change in accounting method, and vice versa[2]."Therefore, in order to provide useful accounting information there must be trade-off between authenticity and correlation between the two can be focused, but you cannot let any one party become zero. In order to provide high-quality accounting information must so that the authenticity and relevance can maximize. But sometimes have to reduce the authenticity to enhance the relevance of the information, so that the authenticity shows limitations.

Second, accounting information with uncertainty. The uncertainty of the accounting information is within the range allowed by the accounting requirements due to the choice of a different accounting treatment, the accounting information reflect the same economic matters show different results feature. Example, inventory valuation, the existing system under the first-in, first-out method, the weighted average method, specific identification method, the last-in, first-out method five. Enterprises to use a different method of inventory valuation, will lead to revenue generation difference. Visible, uncertainty generates accounting information is processed using a different accounting method due to the same economic and business results, these methods have a theoretical basis and is permitted by the accounting standards.

Again, accounting information contains the factors of the estimation. Accounting, companies always strive for accuracy, but some of the economic business uncertainty, and thus need to estimate judging from experience, which often has the approximate nature of the information provided by the accounting statements. For example, the provision for bad debts, expected useful life and residual value of fixed assets, the amortization period of intangible assets and deferred assets. These estimates are in a certain extent is inevitable. It can be said that, apart from the accounting estimates, it cannot

be the accounting statements reveal. This inevitably to the authenticity of accounting information "to add a layer of confusing the shadow[3].

Above discusses the factors that affect the authenticity of accounting information in three main areas. In addition, the importance of implementing the accounting principles and the principle of cost-effectiveness to some extent will affect the authenticity of the information. Available for enterprises to choose the principle of prudence, due to adopt a healthy attitude to confirm the measurement of assets, liabilities, income and expenses, with a lot of subjectivity, if used improperly, can lead to a deviation from the actual information.

3. Accounting information and accounting objectives

The accounting objectives on the one hand by the characteristics and limitations of accounting information, the other hand, is also subject to the impact of the accounting run during the socio-economic environment. Therefore, the national accounting goals are not exactly the same.

The U.S. Financial Accounting Standards Board (FASB) in its first No. financial accounting concepts announcement of the objective of financial reporting is mainly determined for the following aspects, namely the financial report should provide: (1) the current and potential investment, creditors, and other users to make rational investment, credit and similar decisions useful information; (2) to help investors, creditors, and other information users expected accounting the amount of future net cash inflows, time and uncertainty the nature of the information; (3) the business of economic resources, the right to resource requirements and their changes; (4) in the operating results of the reporting period; (5) management staff how to fulfill commissioned by the owners of the enterprise resource use responsibility for the information. The general objective of financial reporting is to the information users provide decision-useful information, this information mainly from two aspects, one measure of cash flow prospects useful information rights and corporate riches changes in the information.

"Enterprise Accounting Standards specified accounting objectives are: (1) to meet the needs of the country's macroeconomic management; (2) met to understand the needs of the enterprise's financial position and operating results; (3) meet the enterprises to strengthen internal operation and management needs. As can be seen, the target goals (3) management accounting rather than financial accounting. Therefore, the basic norms of accounting objective is to accounting as a whole to understand.

Sino-US accounting goal is to make a simple comparison, we can see that both the biggest difference is that China will meet the needs of the national macroeconomic regulation and control as the first target, which is due to the socio-economic environment. Target of corporate accounting due to accounting attributes and accounting run during which the impact of the economic environment is not static, but in a certain period of time, the accounting objective has been formed, it has stability. Stable accounting objectives and quality characteristics of accounting information to form counterproductive, this reaction the most important on the performance requirements and authenticity.

According to the ideal, it is hoped that all the accounting information only has relevance have authenticity. But, as mentioned before, these two quality characteristics is contradictory unity. The accounting information provided by the enterprise, fully consider the cost-effectiveness and the importance of the principle of its usefulness is certain. In this case, it should be stressed that the authenticity or relevance of the information, I believe that the goal of the decision would be a matter of accounting.

The U.S. economy is highly developed commodity economy, the private ownership of productive resources and the separation of ownership and management of its main features. Moreover, the majority of the owner's investment activities in the capital market-mediated indirect investment. Therefore, investors held stocks, bonds, has a strong liquidity. They "concern is not a corporate capital preservation and appreciation, but the average risk level of remuneration of the capital markets

and investment enterprises possible risks and rewards - specifically, is possible to obtain the cash dividends, interest and investment appreciation and the proportion of risk tolerance[4]."These investors often want to make use of the information provided in the financial statements continue to hold or sold stocks, bonds in the hands of decision-making, they naturally require financial statements should be possible to provide useful information for their decisions. Decision-making related to future, the information about the future is most useful to them. The U.S. Financial Accounting Standards Board Accounting target as useful decision making, and that, when the authenticity and relevance into conflict, should priority position. "Obviously a lot of people to support such a view, is the reliability should be an important quality of financial statements information, even to weaken the correlation at the expense, and the expense This view is actually harmful." "If you do this viewpoint fair and logical reasoning continues, is bound to lead to the financial statements for information related to the gradual decline in the conclusion, the results will be the majority of really useful information to be provided by means other than the financial statements, and will increasingly provide audited financial statements that are highly reliable, however not very relevant, and therefore useless information. "

The situation in China is different. State-owned enterprises still dominant position in the national economy and the capital market is not perfect, has been largely restricted the free movement of capital, and the State a large part of the investment of state-owned enterprises based on the physical form of direct investment, the state macroeconomic managers. Therefore, from the point of view of the state-owned enterprises, the state as the main users of accounting information are reasonable; From a national perspective, the state as the owner of the resources to the operators (directors, managers) to operate most concerned about is preserving the value of the appreciation of the state-owned assets of enterprises occupy, this information should come from the evaluation of the performance of the business reflected in the financial statements. According to the results of operations of the operators, the national operators to decide whether to replace, rather than require companies to provide information and decision-making to determine whether the sale of state-owned property. This means that, in our country, to ensure the reliability of information is clearly stressed the relevance of the information is more necessary.

4. The reality of the accounting information authenticity thinking

As seen from the above discussion, the authenticity of accounting information is an important quality characteristic of accounting information essential attribute. At the same time, due to the nature of the limitations of accounting information and the authenticity of accounting information showing relativity. The accounting objectives determine the authenticity of accounting information should be the extent to which; actually achieved the degree of authenticity of accounting information in turn would affect the accounting goals.

At present, China's enterprises accounting information authenticity is worrying. Reflect authenticity as the authenticity of the accounting information included to reflect the accuracy and completeness of the distortion of accounting information is untrue, inaccurate and incomplete three aspects. The main problems of corporate accounting information authenticity: (1) accounting information reflects the authenticity enough. How confirmed by accounting measurement, reporting procedures that meets the users' needs, has a certain quality of accounting information, the need for specific accounting standards to regulate. While China currently only enacted a basic accounting standards they have not yet introduced specific accounting standards, corporate accounting behavior is mainly carried out by sub-industry accounting system specification. Defects of the accounting system itself and its gap with the international practice, to ensure the authenticity of the information is unfavorable. In addition, managers and accountants a sense of law, non-compliance with the existing accounting system, also contributed to the false accounting information. (2) The accounting information is inaccurate. Mainly due to the high quality of accounting personnel, the accounting procedures required by the accounting system, method not familiar, often resulting in between account account account the real as well as between the account between tables, figures do not match. (3) The accounting information is

incomplete. Including reflect the comprehensive and revealing inadequate. The main reason causing the first is due to the manager's manipulation caused, such as less about profits in order to achieve the purpose of the income tax of Fiscal Evasion with respect. The second aspect of the main reasons is China has not yet been established to improve the accounting information disclosure system, which is extremely unfavorable for the specification (especially listed companies) run.

Solve the above problems, from improving the accounting information authenticity, I suggest to take the following measures: (1) specific accounting standards as soon as possible to promote the standardization of corporate accounting behavior; (2) the use of various forms of training to improve the quality of accounting personnel; (3) positive operating results reflect the use of accounting information to evaluate the operators, poor management caused a significant loss of state-owned assets, should be investigated for legal liability; (4) to develop the team of certified public accountants play an accountant supervision role in improving the accounting information authenticity, accuracy and completeness.

In today's Internet and the rise of knowledge economy era, to solve the above problems, improve the authenticity of accounting information, the first thing to enhance the level of management accounting information. Mobile Internet and cloud applications makes mobile office together to become a reality, the enterprise can make use of mobile phone and other mobile communications terminal equipment across time and space to view business related data, operation, processing document flow and expenses, and thereby online for enterprise management[5]. Secondly from the content of the management accounting and management accounting methods on innovation. Management accounting content in the innovation First of all, need to reflect on will control configuration information provided to decision makers. In the exercise of shareholders' control, for example, it embodies in the control of the financial budget and final accounts of the enterprise's approval, to business investment plan and system of the company's articles of association of the modification. This and the matching management accounting system should be budget information, decision-making scheme evaluation content and content such as the assessment of directors will offer to its shareholders. Second, the control of configuration information provided to the board. Board will control in the exercise of personnel managers more focused on their determination, report to the enterprise management, development strategy and development direction of building, the scheme of salary as well as the overall supervision and evaluation of enterprise and so on. With the corresponding management accounting content and the test results must be nuclear, salary system, responsibility system and budget system is blended in among them. Finally, the control of the information provided to managers. General managers in the aspect of control are mainly affected by the board of directors, commissioned daily management decisions and their corresponding management accounting content can use the basic functions of management accounting Such as the incentive system of rewards and punishments, and daily management information, etc. About management accounting methods, and its main requirements for existing responsibility accounting system innovation. The path of innovation reflected in: first, to further expand the responsibility center. The responsibility center focused on will be involved in that corporate governance rights, and accountability and effective set at an organic whole, make the content to the shareholders, directors and managers to extend, can solve the small and medium-sized shareholders in corporate governance from damage. So in the process of responsibility center extension should guarantee the board of directors can exert its decision-making center position, managers play center management functions. Second, innovation responsibility budget system. Responsibility budget system perfect requirement pay plans to further improve, the target can be combined with different corporate governance pay plan, avoid because of unreasonable compensation plan management responsibility to avoid problems.

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