



SFAC

Manajemen Keuangan Internasional

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What is Accounting?



An information system to account for all **business transactions** and translate these transactions into accounting terms to be reported in financial statements for interested **users**





What is Accounting Standards?



Accounting methods with substantial authoritative support to be used by business entities in preparing external reports for users



Why do we need Accounting Standards?

Companies doing business in more than one nation found that it is hard to comply with more than one set of accounting standards established by authorities in different nations.

In response to this problem, International Accounting Standards Committee (IASC) was founded in 1973 to develop a single set of global accounting standards

History of Accounting Standards



AICPA[®]

FASB

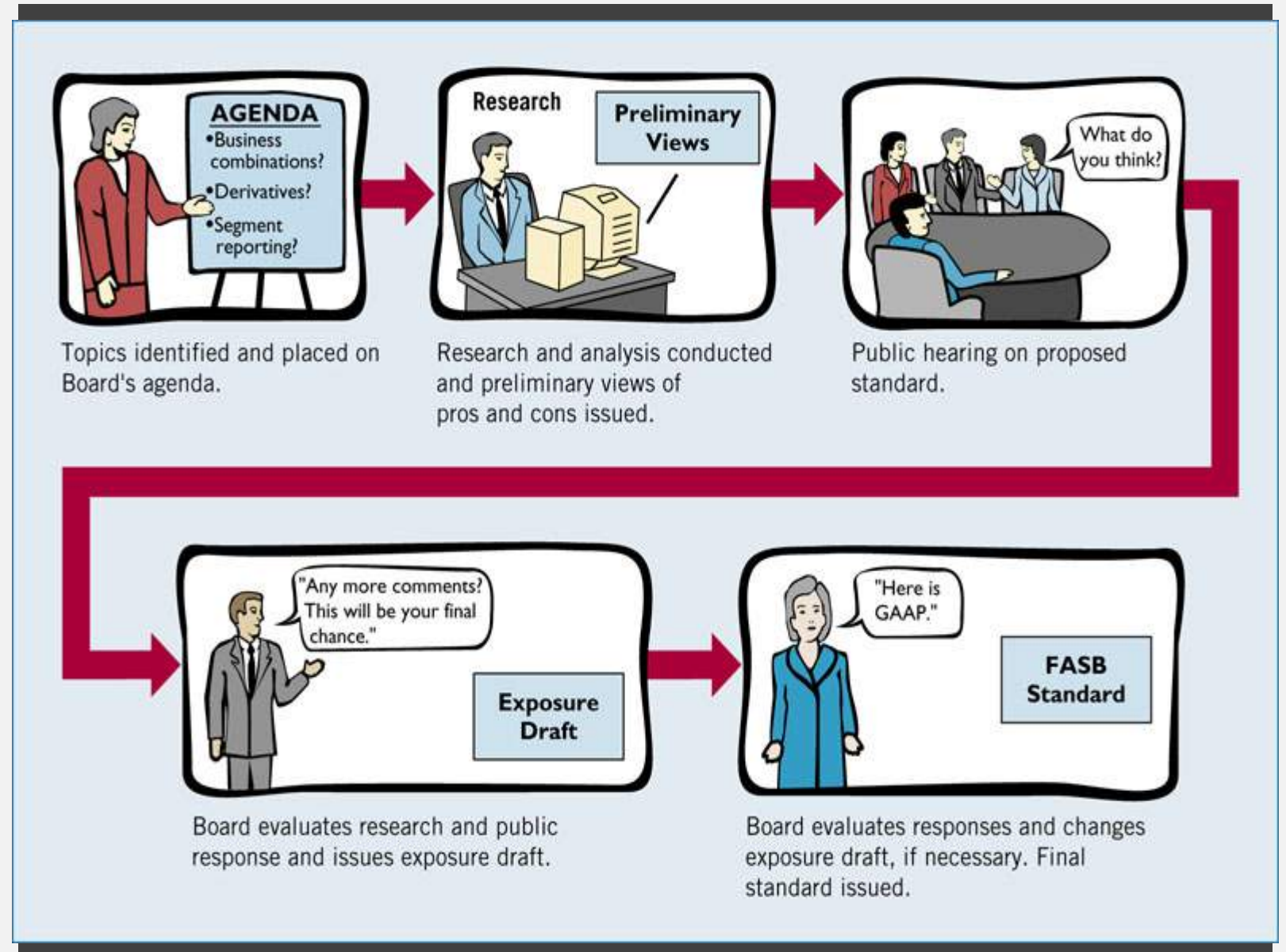
5 Hal yang Dihasilkan oleh



- 1. SFAS**
Statement of Financial Accounting Standards
- 2. Interpretations**
Interpret the accounting report
- 3. Abstract of EITF**
Emerging Issue Task Force
- 4. Technique bulletins**
Staff position
- 5. SFAC**
Statement of Financial Accounting Concept



How FSAB Set an Accounting Standards:



Conceptual Framework Consists of 7 SFACs (Statement of Financial Accounting Concept)

1	Objectives of Financial Reporting by Business Enterprises	1978
2	Qualitative Characteristics of Accounting Information	1980
3	Elements of Financial Statements of Business Enterprises	1980
4	Objectives of Financial Reporting by Nonbusiness Organizations	1980
5	Recognition and Measurement in Financial Statements	1984
6	Elements of Financial Statements	1985
7	Using Cash Flow Information & PV in Accounting Measurements	2000

7 SFACs

1.

Financial statements:

- User orientation
- Users assumed to be knowledgeable about financial information and reporting
- Must be general purpose in nature, aimed at a common core of information needs

2.

Specific qualitative characteristics addressed can be classified as under the heading of "decision usefulness"

3.

Defines 10 elements of financial statements
Later amended in SFAC 6

Reversal of terminology:

- SFAC 1 used the term *earnings*
- Official term: *income*

4.

Nonbusiness organizations:

- Receipts of resources without expectation of repayment or economic benefits
- Operating purposes that are primarily not to provide goods or services at a profit
- Absence of defined ownership...

7 SFACs

5.

- Did not meet expectations
- Stated that changed should be gradual and evolutionary
- Display of owners' equity

6.

- A replacement of SFAC 3, not a revision
- Definitions are virtually identical to SFAC except they are extended to nonbusiness organizations
- Qualitative characteristics of SFAC 2 are extended to nonbusiness organizations
- Added nothing to the conceptual framework from business enterprise perspective

7.

Present Value Asset Measurement:

- present value measurements are intended to simulate *fair value*
- emphasizes the severability of the asset

Present Value Liability Measurement:

- discount rate must be tied to the credit standing of the firm.
- carrying value of the original liability is tied to the firm's credit standing

Subsequent Revaluations

SFAC 6:

Elements of Financial Statements (10)

- | | |
|----------------------------|-------------------------|
| 1. Assets | 6. Comprehensive Income |
| 2. Liabilities | |
| 3. Equity | 7. Revenues |
| 4. Investments by Owners | 8. Expenses |
| | 9. Gains |
| 5. Distributions to Owners | 10. Losses |

THANK YOU

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