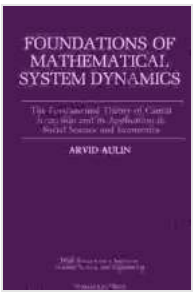
Philosophical, Mathematical and Methodological Foundations of IFRS International



Anticipatory Systems: Philosophical, Mathematical and Methodological Foundations (IFSR International Series on Systems Science and Engineering Book 1)

5 out of 5

Language : English
File size : 54542 KB
Print length : 436 pages

International Financial Reporting Standards (IFRSs) are a set of accounting standards that are used by companies in over 140 countries around the world. IFRSs are designed to make financial statements more transparent and comparable, which can help investors make better decisions.

The philosophical, mathematical and methodological foundations of IFRSs are the principles that underpin the development and application of these standards. These foundations include:

- The concept of fair value
- The principle of prudence
- The matching principle
- The going concern assumption

- The materiality principle

These foundations are essential for understanding IFRSs and how they are applied in practice.

The Concept of Fair Value

Fair value is the price that would be received for an asset or paid for a liability in an Free Downloadly transaction between market participants at the measurement date. Fair value is used to measure assets and liabilities on the balance sheet and to determine gains and losses on the income statement.

The concept of fair value is based on the assumption that market prices reflect the underlying value of assets and liabilities. This assumption is not always true, but it is generally accepted as a reasonable basis for financial reporting.

The Principle of Prudence

The principle of prudence is a conservative approach to accounting that requires companies to recognize losses and expenses as soon as they become known but to defer the recognition of gains and income until they are realized. This principle is intended to prevent companies from overstating their financial performance.

The principle of prudence is based on the belief that it is better to be safe than sorry. By recognizing losses and expenses early, companies can avoid the risk of having to restate their financial statements later on.

The Matching Principle

The matching principle is a accounting concept that requires companies to match expenses with the revenues they generate. This principle is intended to ensure that companies report their financial performance accurately.

The matching principle is based on the belief that expenses should be recognized in the same period as the revenues they generate. This principle helps to prevent companies from overstating or understating their financial performance.

The Going Concern Assumption

The going concern assumption is an accounting principle that assumes that a company will continue to operate in the foreseeable future. This assumption is used to justify the use of historical cost accounting and to avoid the need to revalue assets and liabilities every period.

The going concern assumption is based on the belief that it is reasonable to assume that a company will continue to operate in the foreseeable future. This assumption is not always true, but it is generally accepted as a reasonable basis for financial reporting.

The Materiality Principle

The materiality principle is an accounting principle that allows companies to ignore immaterial items in their financial statements. This principle is intended to reduce the cost of preparing financial statements and to make them more concise and easier to understand.

The materiality principle is based on the belief that immaterial items are not likely to have a significant impact on the financial statements. This principle is not always true, but it is generally accepted as a reasonable basis for financial reporting.

The philosophical, mathematical and methodological foundations of IFRSs are essential for understanding these standards and how they are applied in practice. These foundations provide a framework for developing and interpreting IFRSs and for ensuring that they are applied consistently and transparently.

This book provides a comprehensive overview of the philosophical, mathematical and methodological foundations of IFRSs. It is an essential resource for anyone who wants to understand these standards and how they are used in practice.

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