

Acc standards essay



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Therefore, Financial Statements must be accurately to represent a true and fair view of the company. To evaluate a result of the information, accounting report must be related to the accounting standard principles. Currently, there are several organizations have established to comply with the accounting principles. However, the Financial Accounting Standards Board (FAST) and the International Accounting Standards Board (SAAB) are the most influential standard-setters in accounting report systems.

This paper will provide a brief history and the relationship between the two accounting standard boards, in which SAAB is equivalent to the original pronouncement of FAST. Furthermore, this paper will explain the benefit of Master of Science in Accounting (MASS) program and how it will guide students to future professional career in accounting vocation. History of FAST The FAST is used broadly in the United States. FAST sets General Accept Accounting Principles (GAP). It was established by the CPA because of the recommendation the Wheat Committee in 1973.

FAST has responsibility to set accounting standards for a public company. The members of the FAST are full-time employees from various organizations such as the American Accounting Association; the CPA; the Association for Investment Management and Research; the Financial Executives Institute; the Government Finance Officers Association; the Institute of Management Accountants; the National Association of State Auditors, Comptrollers, and Treasurers; and the Security Industry Association. (Cachet-Clark- Schroeder, p. 0). The Financial Accounting Foundation (FAA) governs FAST. According to Cachet-Clark- Schroeder, the structure of FAST was designed as below: Draw the structure The mission of FAST is “ to establish and improve standards of

financial accounting ND reporting for the guidance and education of the public, including issuers, auditors, and users of financial information. ” FAST develops broad accounting concepts, create standards for financial reporting, and provide guidance on the implementation of standards.

History of SAAB The SAAB is a private sector that was established in 1973. The main purpose for the creation of the SAAB was to harmonize international regulations and accounting standards. The SAAB standards work to improve procedures in the presentation of financial statement. SAAB issued a series of accounting pronouncements called International Financial Reporting Standards (FIRS). The relationship between FAST and SAAB The FAST and SAAB are collaborated to develop global accounting standards. They both focus on the principles of creating financial reports.

The standards financial reports include financial statements, balance sheets, cash flow statements, income statements, etc. These statements must be constructed to represent the fairly of the company financial status so that public users can use to evaluate when making any business decisions.

Although there are some differences of detail, Saab’s content shows a strong affinity with the Abs’s. Both accounting standard boards have conceptual frameworks in place. The FAST, which created the first set of frameworks, consisted of seven concepts and each published alone.

On the other hand, the SAAB was a single document. However, the framework of the SAAB resembled the Abs’s. Both frameworks are incomplete because of lacking a treatment of measurement. According to Geoffrey Whetting (2008), the standard setters could not achieve a solution

to the inflation accounting problem that users and preparers of accounts could accept. Whetting also said the frameworks of both the SAAB and the FAST have emphasis to the usefulness of decisions to investors when the focus was on general financial reports (Whetting, 2007).

A recent report shows that the International Financial Reporting Standards (IFRS) has called to replace the Generally Accepted Accounting Principles (GAAP) in United States by 2014. This change will have a big impact on the United States public companies through the way they represent financial reports (Hail, Else, & Haycocks, 2009). The controversy between the United States GAAP and the IFRS are the fair value and the market value (Hail, Else, & Haycocks, 2009). If things persist, the SEC and the FAST may come against the SAAB. The SEC stated briefly that there are to be improvements to how the SAAB be funded and governed.

The board was also criticized for being inadequate. DRP. Woven Hanson stated that the two boards had a meeting in 2002 and came to an agreement known as the “ Norwalk Agreement”, which was also called a memorandum of understanding. The memorandum stated that the SAAB and the FAST would work toward a common goal (Hanson, 2009). Through a convergence, the United States could adopt the IFRS. However, arguments for, and against this issue have arose. Many say the convergence would send the United States back to the disaster in the 1920s with the metric system (Hanson, 2009).

Convergence would never take place if this happened. There should be a definite date for this to take place. Although others state, this would have a

weak set of standards. The differences accounting principles between the United States and other countries must be taken into consideration. The legal system of the United States is more of a litigious environment (Hanson, 2009). The biggest concern is without a legal makeover before converging to the FIRS here may be some legal action from the increase in judgments that may be required by the FIRS (Hanson, 2009).

The Serbians-Solely is still another conversion issue that pertains to the funding of the SAAB and the FAST. Serbians-Solely requires the FAST to be funded by public companies and accountants. No contributions are accepted and thus prohibited. The SAAB is, however, supported by contributions. Contributions could lead to pressure from special interest groups who would be more apt to give. The source of funding is certainly an issue that needs to be addressed to raise the stability and credibility of the SAAB.

The MASS program The Master of Science in Accounting, (MASS) program is designed to meet the expectations of a higher education model known as the National Association of State Board of Accountancy (NASBA). MASS program is a comprehensive degree that prepares individuals to work in the accounting field via advanced level coursework in accounting subject area such as communication for accountants, information systems, financial accounting report, legal aspects of business, internal control systems, taxation, auditing, not-for-profit and government accounting, forensic accounting, and ethics in accounting.

MASS also empowers individuals to undertake accounting related jobs in the corporate world. Additionally, MASS is also very useful for providing the

academic prerequisite required for the professional certification exams in the accounting industry such as the certified public accountant or CPA and certified management accountant or CAM examinations. These certifications are extremely necessary for an accounting industry to make further progress in accounting career and to obtain higher level positions in accounting. MS in Accounting provides a high platform or base to explain these competitive exams.

MS in accounting equips individuals with the right set of analytical skills and tools for achieving success in today's complex and dynamic accounting industry. Conclusion The paper provides information about the FAST and SAAB, and the necessary of MASS program. The FAST and SAAB have cooperated to achieve convergence of accounting standards. Both boards represent the principles accounting to guide the company perform financial statements that can be the reliable source for public users. Currently, the FAST and SAAB are continued to work on the convergence to ensure a mutually accounting environment.