

# Fasb codification system

[Finance](#)



**ASSIGN  
BUSTER**

1. FASB codification system is a database research system developed by the Financial Accounting Standard Board. It has several itative resources on accounting standards on to a single platform which can be searched for accounting professional purpose. As per (Pounder) “ Going forward, only FASB will issue authoritative accounting standards. Only one type of standard will be issued, and all standards will be numbered sequentially within each calendar year”.
  2. The purpose of the FASB codification system is that it allows accounting and reporting professionals along with investors and analysts a professional view where many state of the art utilities offers wide feature, search facility and navigating contents. It gives information on the accounting standards, cross referencing and navigating. Also there is printer friendly source utility for viewing source references. So basically it allows the professionals to keep update on accounting standards, information, and location of member, conduct research and locate professional around the network.
  3. The nine contents areas located in the FASB codification system are General principles, presentations, assets, liabilities, equity, revenue, expenses, broad transactions and industry. Thus the codification system is an organized structure with comprehensive topics. These subdivided nine topics have sections and paragraphs.
  4. The nine contents have types of items and general principles detail on all the accounting principles and laws to simplify users access. The presentation offers guidance on the preparation of income and financial statement purpose and calculating earnings per share. The asset content has information on investments, accounting receivables and inventory. Liability section has assets retirement and environment obligations, contingencies,
- <https://assignbuster.com/fasb-codification-system/>

distinguishing liabilities from equity and accounting principles. The equity section explains status, recognition and SEC material required to record equity based payment to non – employees. The revenue area informs accounting professional about revenue recognition and accounting standard updates. Expenses guides on procedures to report stock compensation, compensation research and development with regard to preparing income taxes. The broad transaction gives information on business combination, consolidation, fair value measurement and disclosure, leases and financial instruments. Finally, the industry section gives user in regard to industries including oil and gas, dealers, brokers and lending.

#### Work Cited

Pounder, Bruce. Framing the Future . Journal of Accountancy, 2008. Web. 15 June 2014. .