

Gaap vs. ifrs



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2013/5/19 Group Five GAAP VS. IFRS US GAAP Codification Determination of Inventory Costs 330-10-30-9: Cost for inventory purposes may be determined under any one of several assumptions as to the flow of cost factors, such as first-in first-out (FIFO), average, and last-in first-out (LIFO). The major objective in selecting a method should be to choose the one which, under the circumstances, most clearly reflects periodic income. May an entity elect LIFO method for inventory cost?

IAS 2 Inventories Cost formula 25 The cost of inventories, other than those dealt with in paragraph 23, shall be assigned by using the first-in, first-out (FIFO) or weighted average cost formula. An entity shall use the same cost formula for all inventories having a similar nature and use to the entity. For inventories with a different nature or use, different cost formulas may be justified. Prohibition of LIFO as a cost formula IN13 The Standard does not permit the use of the last-in, first-out (LIFO) formula to measure the cost of inventories.

Xi Zhen-Inventory cost Qian Teng-Basic EPS Zihui Yuan-Diluted EPS Which amounts on the I/S must present basic & diluted EPS? Similarities: Both require presentation of basic and diluted EPS for income from continuing operation either on the face of the income statement or in the notes disclosure. Differences: US GAAP Relevant guidance Extraordinary items ASC260 Include IFRS IAS33 Prohibited Shares are calculated in incremental basis

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?? IAS 1 Presentation of Financial Statements Information to be presented in the other comprehensive income section 87 An entity shall not present any items of income or expense as extraordinary items, in the statement(s) presenting profit or loss and other comprehensive income or in the notes. US GAAP Codification: • Required EPS Presentation on the Face of the Income Statement • 260-10-45-3 An entity that reports a discontinued Year-to-date calculation Shares are calculated of diluted EPS independently operation or an extraordinary item in a period shall present basic and diluted per-share amounts for those line items either on the face of the income statement or in the notes to the financial statements.

An entity that does not report a discontinued operation but reports an extraordinary item in the period shall use that line item (for example, income before extraordinary items) whenever the line item income from continuing operations is referenced by the guidance in this Subtopic. IAS 33 EPS Presentation 68 An entity that reports a discontinued operation shall disclose the basic and diluted amounts per share for the discontinued operation either in the statement of comprehensive income or in the notes.

Diluted EPS Q &A US GAAP Codification: Applying the Treasury Stock Method Year-to-Date Computations 260-10-55-3 The number of incremental shares included in quarterly diluted EPS shall be computed using the average market prices during the three months included in the reporting period. For year-to-date diluted EPS, the number of incremental shares to be included in the denominator shall be determined by computing a year-to-date weighted average of the number of incremental shares ncluded in each quarterly

diluted EPS computation. Example 1 (see paragraph 260-10-55-38) provides an illustration of that provision. IAS 33 EPS Shares IAS 33-37 Dilutive potential ordinary shares shall be determined independently for each period presented. The number of dilutive potential ordinary shares included in the year-to-date period is not a weighted average of the dilutive potential ordinary shares included in each interim computation. THANK YOU ! 1