CONCEPT: GAAP VS IFRS – ANALYSIS AND INCOME STATEMENT PREPARATION

Laws/Standard Setting

USA follows	***Generally Accepted Accounting Principles***
Standards set by	***Financial Accounting Standards Board***
	____________ → ____________
International follows	***International Financial Reporting Standards***
Standards set by	***International Accounting Standards Board***
	____________ → ____________

Analysis and Income Statement Preparation	
Similarities between GAAP and IFRS: ● Tools of financial analysis (horizontal, vertical, ratios, etc.) ● Distinguishing operating and unusual items in income ● Accounting for discontinued operations ● Changes in accounting principle → Retroactive ● Changes in accounting estimate → Prospective ● Reporting comprehensive income	Differences between GAAP and IFRS: ● No significant differences!