CONCEPT: GAAP VS IFRS – LIABILITIES

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***
	____________ → ____________

Liabilities	
Similarities between GAAP and IFRS: ● General definition of liability ● Liabilities are presented in order of liquidity ● Calculation of Bonds Payable liabilities ● Effective-interest method for amortization of bond premium/discount	Differences between GAAP and IFRS: ● Accounting for conversion of convertible bonds into equity ● Companies using IFRS often calculate ***working capital*** on the face of the statement of financial position.