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Research on the Impact of New Accounting Standards on Enterprise Financial Management Accounting Practice

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Abstract: The new accounting standards have broad applicability and can be applied to management practices in various industries. They can not only optimize enterprise management models, but also continuously improve financial management work, making accounting information more detailed and accurate. In today's fiercely competitive market environment, how enterprises can deeply understand the new accounting standards, optimize their financial management plans based on them, and improve the efficiency of enterprise financial management has become an important issue that urgently needs to be solved. This article analyzes the impact of the new accounting standards on the accounting practices of corporate financial management and proposes a series of measures to provide useful reference and guidance for corporate financial management.

1. Introduction

The new accounting standards have revised the relevant parts of various fields and businesses, optimized the inaccurate expressions in the old standards, filled the gaps in the previous regulations for handling new economic transactions, and made them more in line with the needs of enterprises and economic development. The implementation and promotion of the new accounting standards have had a profound impact on the quality of corporate financial information, financial management models, and accounting practices. They can not only enhance the transparency, reliability, and comparability of corporate financial information, but also provide more accurate and useful decision-making basis for stakeholders such as investors and creditors. Therefore, this study explores the impact of the new accounting standards on the accounting practices of financial management in enterprises, which can provide useful references and guidance for enterprises to better understand and implement the new accounting standards, and help enterprises achieve optimization of financial management and standardized development of accounting practices in complex and changing market environments.

2. The Impact of New Accounting Standards on the Accounting Practice of Enterprise Financial Management

2.1 Adjustment of recognition timing for benefits and costs

Compared to the original accounting standards, the new accounting standards focus on and effectively regulate the recognition points of revenue and cost, which directly affects the accuracy and comprehensiveness of financial reporting and business decision-making for enterprises. Firstly, the new accounting standards stipulate that revenue recognition is no longer solely based on the delivery of goods or completion of services, but rather focuses more on whether customers have gained control over the goods or services as the core criterion for recognizing revenue. For example, when the ownership and related risks of a certain product are transferred to the customer, even if the product has not been actually delivered, the enterprise should still confirm the corresponding revenue. The revision in this aspect requires enterprises to pay more attention to and comprehensively consider the contract details and actual content of the transaction during the transaction process, in order to accurately determine the appropriate time node for enterprise revenue recognition. Secondly, regarding long-term contracts and project construction, the new accounting standards introduce the percentage of completion method and use it as the basis for revenue recognition. This method requires companies to confirm corresponding revenue based on the completion progress of the contract, rather than confirming it after the entire project is completed. This revenue recognition method is more in line with the actual progress of long-term projects, making revenue recognition more stable and reflecting the actual business situation. Thirdly, the new accounting standards have adjusted the timing of recognizing enterprise costs. In line with the principle of revenue recognition, the recognition of enterprise costs needs to be based on the actual consumption of resources and actual expenditure, rather than solely on the delivery of goods or services. This indicates that in certain special circumstances, even if no actual expenses have been incurred, the enterprise still needs to confirm these costs in advance. [1]

2.2 Increase fair value measurement

Firstly, in the original accounting standards, fair value was treated as a financial instrument. In the requirements of the new accounting standards, fair value measurement has been extended to many non-financial assets and liabilities, such as investment properties and biological assets. Enterprises need to carry out more fair value measurement work to effectively ensure that these assets and liabilities can be presented truthfully and fairly in financial reports. Secondly, according to the new accounting standards, when conducting fair value measurement, enterprises need to take into account various relevant information, such as market prices, discounted cash flows, etc., in order to make the results of fair value measurement more reliable and objective. Moreover, the new accounting standards provide more detailed and clear regulations on the fair value measurement method, and enterprises need to comply with the prescribed requirements. Thirdly, the new accounting standards also stipulate that in financial reports, enterprises should not only list the assets and liabilities measured at fair value, but also disclose information such as the measurement method and sensitivity of fair value, to help stakeholders better understand and evaluate whether the measurement of fair value is reliable.

2.3 Reclassify the balance sheet

The new accounting standards also require corresponding revisions to the presentation of the balance sheet, namely the reclassification of the balance sheet, to enable financial data of enterprises to more comprehensively and truthfully reflect their business development status, and provide more accurate judgment basis for relevant stakeholders. In the process of dividing the balance sheet, financial personnel need to clearly distinguish between fixed assets and intangible assets. In the original accounting standards, most enterprises usually classified certain items that should have been included as intangible assets into fixed assets, which directly affects the net asset value and depreciation rate of the enterprise, and thus affects the accuracy of financial data. In the new accounting standards, fixed and intangible assets are clearly defined, and the situation of intangible assets is more accurately reflected and feedback from multiple dimensions such as patent rights and goodwill rights. At the same time, the new accounting standards have comprehensively stipulated the treatment of long-term deferred expenses, including them in the category of long-term assets. In the calculation process, accounting personnel also need to separately list long-term assets, significantly improving the level of detail and transparency of financial information. [2]

2.4 Update on financial report preparation requirements

With the implementation of the new accounting standards, the original financial reporting model is no longer in line with current requirements and cannot continue to be used. Enterprises must update and optimize their financial reporting under the new accounting standards, mainly because they need to use fair value to measure most assets and liabilities, which will affect key indicators in financial statements such as net asset value and profit. Therefore, enterprises need to update their financial report preparation mode in a timely manner to ensure that it meets the requirements of the new accounting standards. At the same time, under the requirements of the new accounting standards, the disclosure of corporate financial statements needs to be more detailed and timely, such as timely disclosure of the use of corporate financial derivatives, lease contract details, etc., in order to enhance the transparency of financial information and provide relevant basis for investors and other stakeholders' decision-making. Based on this, financial accounting personnel in enterprises need to timely understand and master the content of the new accounting standards, as well as have strong data analysis abilities to convert complex accounting information into simple and clear business descriptions. In addition, in order to accurately evaluate the fair value of non current assets, enterprises need to update more advanced financial analysis paradigms, such as discounted cash flow models, to ensure the accuracy and comprehensiveness of fair value assessment. For example, in the case of technology companies, when financial personnel evaluate the value of their knowledge products, they need to use more complex economic models for comprehensive evaluation to fully reflect the technological progress and market innovation of the enterprise. In the digital age, the preparation of financial statements for enterprises still needs to be automated and intelligently updated with the upgrading of financial information systems, in order to improve the quality and efficiency of financial reporting and decision support .[3]

3. Strategies for Dealing with the Impact of New Accounting Standards on Enterprise Financial Management Accounting Practice

3.1 Deepen the understanding and grasp of the new accounting standards

Firstly, enterprises need to attach great importance to the training of financial and accounting personnel, and use multiple channels to enable them to quickly grasp the content of the new accounting standards and proficiently apply them to daily financial management accounting practices. As the main implementers of enterprise financial management accounting practices, financial personnel must quickly grasp the content of the new accounting standards, from basic concepts to specific clauses, from theoretical frameworks to practical operations, all of which require specialized training. Enterprises provide rich learning resources and opportunities for accounting personnel through various means such as regularly organizing internal training, participating in external seminars and academic exchanges, and encouraging online learning for accounting personnel. At the same time, enterprises actively encourage accounting personnel to learn independently, constantly update their knowledge structure of new accounting standards, and enhance their practical application ability of new accounting standard knowledge. Only in this way can we ensure that accounting personnel can timely understand the latest developments of the new accounting standards and proficiently master the various requirements of the new accounting standards, so that they can handle their work with ease. Secondly, enterprises should increase their publicity efforts for the new accounting standards. Through various channels such as internal publications, bulletin boards, emails, WeChat groups, etc., they should widely promote the basic content, implementation requirements, application value, and approaches of the new accounting standards, so that accounting personnel and even all employees can actively receive new knowledge of the new accounting standards, understand the impact of the new accounting standards on financial management accounting practices, and provide good prerequisites for subsequent financial work. At the same time, companies can regularly organize special seminars, experience exchanges, and other activities to provide opportunities for accounting personnel and other employees to share their learning experiences and insights on the new accounting standards, allowing them to deepen their understanding and recognition of the new accounting standards from a new perspective. In addition, the company creates a strong learning atmosphere internally, so that every employee can fully recognize the importance of the new accounting standards for the company's business development, and actively participate in the learning and practice of the new accounting standards, forming a good situation of full staff learning and participation .[4]

3.2 Strengthen communication and exchange within and outside the enterprise

On the one hand, in the practical operation of financial management accounting, enterprises should establish a cross departmental communication mechanism, form a dedicated execution team, regularly arrange departmental meetings and cross departmental communication activities, and jointly explore the problems and solutions encountered in the implementation of new accounting standards. When enterprises encounter new valuation and measurement standards, it is necessary for the technical department, finance department, and business department to cooperate with each other to ensure data consistency and accuracy. In addition, enterprise managers should actively create an open and smooth communication environment, encourage employees to actively raise questions and share their opinions and views on the new accounting standards, thereby enhancing their adaptability and innovation ability, and better responding to the impact of the new accounting standards on financial management accounting practices. On the other hand, enterprises should also strengthen communication and exchange with investors and other stakeholders, provide them with comprehensive and timely financial information, so that they can understand the real and comprehensive financial situation and business performance of the enterprise, and establish a foundation of mutual trust and cooperation with them. At the same time, the company organizes communication meetings and performance briefing sessions to exchange and discuss with investors and other stakeholders on the company's development strategy and performance, respond promptly to various issues brought about by the implementation of new accounting standards, and explain in detail the company's strategic planning and execution during the communication process, in order to establish a good cooperative relationship. In addition, companies need to establish external relationship management systems, set up investor consultation and complaint platforms, and have dedicated relationship management personnel handle investor feedback and doubts, and promptly answer their consultation questions. This not only maintains a good corporate image, but also brings closer relationships with stakeholders, effectively protecting their rights and interests. [5]

3.3 Promote the optimization and upgrading of financial management information systems

In order to comply with the implementation requirements of the new accounting standards more quickly, enterprises also need to optimize and upgrade their financial management information systems, thereby promoting the transformation of financial management accounting practices and helping enterprises improve the accuracy and compliance of financial statements. Firstly, enterprises need to upgrade or update their financial software to ensure that it has automated functions and can automatically update and apply new measurement standards, reducing errors caused by human operations. At the same time, in the application process of financial software, ensure that the software has the function of intelligently modifying and adjusting asset depreciation methods according to the requirements of the new accounting standards, in order to improve the accuracy and completeness of financial accounting information. In addition, in the process of processing various data in financial software, accounting personnel can use data mining techniques and machine learning algorithms to quickly extract valuable financial data from massive amounts of data, helping accounting personnel to do a good job in financial management accounting practice. During the use of financial information management systems, accounting personnel should also utilize real-time monitoring functions to promptly detect financial risks such as bad debts and abnormal cash flow fluctuations in the company's operations. Based on the automatically generated response measures by the system, relevant personnel should be alerted to respond in a timely manner, which can effectively prevent the occurrence of financial risks and reduce losses caused by financial risks. Secondly, under the implementation of the new accounting standards, corresponding changes need to be made to accounting statements and processes, resulting in a sharp increase in the amount and complexity of data that enterprises need to process, which poses significant difficulties for financial and accounting personnel. Therefore, in the process of optimizing and upgrading financial management information systems, enterprises should also strengthen the optimization management of financial data, so that financial data can be automatically and intelligently processed and analyzed in software systems, enabling accounting personnel to quickly obtain valuable information and provide data support for decision-makers. At the same time, enterprises need to establish a comprehensive data security prevention and control system, timely update firewall technology, antivirus software, etc., enhance the security performance of financial management information systems, and avoid sensitive financial information from being illegally obtained or leaked.

3.4 Strengthen internal control and financial risk management

Under the background of the new accounting standards, enterprises should establish a sound internal control system, standardize the management of financial information, improve the accuracy and reliability of these data, and effectively control various potential financial risks. Firstly, enterprises need to develop a comprehensive internal control system from several dimensions such as financial reporting, auditing, and risk management in order to maximize the effectiveness of internal control. In the financial reporting system, enterprises should closely monitor and verify the accuracy and reliability of financial information, clearly define the responsibility attribution of the financial report preparation process and each link, and enable each department to divide their responsibilities in an orderly manner to ensure the smoothness of the financial report preparation process. At the level of audit system, enterprises need to clearly define the responsibilities of auditors and effectively standardize the audit process to ensure the smooth progress of financial statement audit work. The risk management system should include measures for identifying, evaluating, and detecting various financial risks, effectively reducing the incidence of financial risks. Secondly, enterprises should conduct in-depth research on the internal and external environment, timely identify various financial risks such as credit risk and liquidity risk, and evaluate the harm caused by these risks, in order to provide guidance for the formulation of subsequent risk prevention and control measures. At the same time, enterprises need to establish a financial risk monitoring mechanism, implement tracking of internal financial risk changes, and intelligently generate targeted risk management strategies to facilitate risk prevention and control personnel to improve response efficiency and ability.

4. Conclusion

In summary, the new accounting standards have brought various impacts on the accounting practices of corporate financial management, including the timing of revenue and cost recognition, fair value measurement, balance sheet and financial report preparation. Enterprises should promptly respond to the impacts brought about by the new accounting standards, and develop countermeasures from various dimensions such as deepening their understanding and grasp of the new accounting standards, strengthening internal and external communication and exchange, promoting the optimization and upgrading of financial management information systems, strengthening internal controls and financial risk management, effectively improving the ability of enterprises to quickly adapt to the new accounting standards. In the future, enterprises need to explore and practice new ways of standardizing and intelligentizing financial management accounting practices in accordance with the requirements of new accounting standards, in order to improve the efficiency of enterprise financial management.

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