

Original Research Article

Research on Accounting Revenue, Costs and Business Results in Some Countries around the World and Lessons Learned for Vietnamese Businesses

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Abstract: The article is based on the study of influencing factors, accounting models, standards, accounting work in general and characteristics of accounting for revenue, costs and business results in countries around the world gender in particular. From there, lessons learned will be drawn to help information users determine their economic benefits and make decisions appropriate to each subject's unique needs and goals. Correctly determining and providing accurate information about revenue, costs and business results contributes to improving the efficiency and business reputation of the enterprise. The important factor contributing to ensuring safety, enhancing competitiveness as well as the ability to achieve high efficiency when making business decisions to help businesses develop is thanks to good management of revenue and expenses. Costs and business results. By using the method of researching secondary documents, including documents and textbooks on accounting theory of revenue, costs and business results, on the basis of dialectical and materialist methodology. Historically, the article has used a number of different research methods such as: investigation, analysis, and systematization methods; Comprehensive method to research, evaluate and present issues related to accounting for revenue, costs and business results in countries around the world, thereby drawing lessons for businesses Vietnam.

Keywords: Accounting, Revenue, Costs, Business Results, Commercial Enterprises.

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1. INTRODUCTION

The birth and development of accounting is associated with the development of the social economy. The more society develops, the more important accounting becomes and becomes an indispensable tool in state and business economic management. In the current context, in order to survive, businesses need a business strategy, appropriate business management. Accounting plays a big role in business management and operations. Especially in today's businesses, this issue becomes extremely important because if any business does a good job of accounting for revenue and costs and determining business results, it will help the business increase its ability to recover. capital, promptly organize the next business process, then it will survive and develop. Recognizing the importance of this issue, a number of countries around the world are gradually perfecting revenue and cost accounting and determining business results. From there, lessons can be drawn for Vietnamese businesses.

2. CONCEPTUAL FRAMEWORK

***Concept of Revenue:**

According to Vietnamese accounting standard No. 14 (VAS14- Revenue and other income) issued under Decision No. 149/2001/QĐ-BTC dated December 31, 2001 of the BTC stipulates: "Revenue is the total value of the economic benefits an enterprise has obtained during the accounting period, arising from the enterprise's normal production and business activities, contributing to increasing equity. Thus, it can be understood that the nature of revenue is the total value realized by selling products, goods or providing services to customers. According to Circular 200/2014/TT-BTC issued on December 22, 2014, revenue is defined as the economic benefits obtained that increase the enterprise's equity excluding additional contributions from shareholders. Revenue is recognized at the time the transaction arises, when it is certain that economic benefits will be obtained, determined according to the fair value of the amounts entitled to receive, regardless of whether money has been collected or will be collected.

***Cost Concept:**

In the process of production and business activities, in addition to the costs of necessary living labor and material labor to survive and develop, businesses also have to spend a lot of other expenses. On the other hand, the costs may be a new part created by the business and there are also costs that are sometimes difficult to determine exactly whether they are a waste of living labor or a waste of materialized labor. Therefore, currently, the operating costs of an enterprise are understood as all the costs of living labor, material labor and other necessary expenses that the enterprise has spent during its business operations. Expressed in money and calculated for a certain period. 10 According to Vietnamese Accounting Standards VAS 01- General Standards: Cost is the total value of items that reduce economic benefits in the accounting period in the form of cash outlays, asset deductions or discoveries. Generating debts leads to a decrease in equity, excluding distributions to shareholders or owners.

*** Concept of Business Results:**

According to Circular 200/2014/TT/BTC issued on December 22, 2014 of the Ministry of Finance, business results in an enterprise include: Results of production and business activities, financial performance and other operating results. Business performance results: Is the difference between net revenue and cost of goods sold (including commodity products, investment real estate and services, costs related to real estate business activities investment such as: depreciation costs, repair and upgrade costs, operating rental costs, liquidation costs, selling investment real estate), sales costs and business management costs. Financial performance results: Is the difference between revenue from financial activities and financial expenses. Other operating results: Is the difference between other income and other expenses.

3. METHODOLOGY

Based on the dialectical materialist and historical materialist methodology, the article has used a synthesis of a number of different research methods such as: investigation, analysis, and systematization methods; Comprehensive method to research, analyze, evaluate and present issues related to accounting for revenue, costs and business results in a number of countries around the world.

- Secondary documents: Documents and textbooks on revenue and cost accounting theory and determining business results.
- Primary documents: Books and reports related to revenue and cost accounting and determining business results in some countries around the world
- Research method: Document research combined with investigative interviews: The purpose of the interview is to collect primary information about revenue and cost accounting and determine business results at a number of

businesses. Countries in the world. The subjects interviewed and investigated were chief accountants and accountants. The procedure is a combination of collecting actual documents with observation and direct interviews.

4. FINDINGS

4. 1. Factors Affecting Accounting Revenue, Costs, and Business Results

In today's businesses, there are many factors that affect accounting in general and accounting for revenue, costs and business results in particular. However, the most typical factors can be mentioned as:

Legal Regulations to Comply With:

When businesses participate in general activities of the economy, regardless of any business field/industry, they must comply with current legal regulations. The Accounting Law, accounting regime and specific guiding documents... are legal regulations that directly affect the operations of enterprises in general and accounting work at enterprises in particular. Therefore, when performing accounting work, especially the parts related to accounting for revenue, costs and business results, it is required to comply with these rules.

Accounting standards are more guidance than compliance, but they also contribute to guiding the implementation of accounting at the unit. For accounting for revenue, costs and business results, the application of accounting standards and regimes must consider the relationship between costs and benefits achieved. When applying in practice the promulgated standards, some content is still new with too many specialized terms and concepts, accountants will only apply on the basis of detailed guidance circulars in the work. Accounting work. So this is one of the barriers affecting the application of accounting standards and regimes. Difficulties in applying accounting standards and regimes sometimes affect the accuracy of accounting information provided about important financial indicators for businesses such as revenue information, costs, business results...

In addition, an important factor affecting corporate accounting in general and accounting for revenue and costs and determining business results in particular cannot help but mention tax policy. At the same time, the legal system related to accounting in businesses such as the Accounting Law, Enterprise Law... also has a certain influence on accounting work in businesses.

Characteristics of Each Business Line:

Each industry and business has its own unique characteristics, which also leads to certain influences in accounting work. In addition to complying with general provisions of the law, depending on different production and business characteristics, businesses will choose different accounting methods to suit the characteristics

of their business. For example, accountants have two methods of tracking inventory: regular declaration method and periodic inventory method.

Other Factors:

In fact, the choice of accounting method depends a lot on other factors such as: management requirements of the board of directors, qualifications of accountants or physical and technical conditions... All These factors all have a significant impact on accounting work. For example, to minimize financial risks for businesses during periods of economic inflation, managers require accountants to choose accounting methods that are consistent with accounting standards and regimes, and at the same time must consistent with the business characteristics of the enterprise. At that time, accountants must consider choosing the method of depreciation of fixed assets and the method of warehousing to meet the requirements and be appropriate to the context.

Thus, factors that directly and indirectly affect accounting revenue, costs and business results in enterprises are very diverse. Each business needs to apply appropriate accounting methods based on specific conditions to achieve set goals.

4.2 Accounting for Revenue, Costs and Business Results According to International Accounting Standards

Revenue Accounting is based on International Accounting Standards

Pursuant to international accounting standards No. 18 - Revenue (IAS 18): *"Revenue is the gross income stream of economic benefits during the period, arising during normal operations, increasing equity capital", not the contributions of equity participants. Revenue excludes payments to third parties such as value added tax.* Thus, while income includes both revenue and profits, revenue is distinguished from other types of income.

IAS 18 stipulates that revenue should be measured at the actual value of the consideration received, for example:

- Sales revenue is recognized when the significant risks and rewards incidental to ownership of the goods are transferred to the buyer;
- The enterprise does not continue to participate in ownership management nor control sold goods;
- Revenue value can be reliably calculated;
- It is likely that the enterprise will gain economic benefits from the sales transaction;
- Transaction-related costs are reliably calculated.

Although the content of international accounting standards and Vietnamese accounting

standards on revenue and income have many similarities, there are also differences in revenue recognition, specifically: According to IAS 18 – Revenue does not mention other income content, but according to Vietnam Accounting Standards VAS 14 on revenue and other income, there are regulations on income different from each specific item.

Cost Accounting According to International Accounting Standards

According to international accounting standards IAS 1, a cost is an amount that reduces economic benefits in the form of expenditure flows or reduces asset value, or incurs debt leading to a reduction in equity (not reductions due to distribution). Divided among the owners). Accordingly, some differences in cost recognition between Vietnamese and international Accounting Standards are easily seen as follows:

- According to IAS 38, training, research, advertising, preparation, and reallocation costs are recorded as expenses in the period. According to Vietnam Accounting Standards VAS 04, these types of costs are considered prepaid costs and are amortized over a period of 3 years, if the above costs bring future economic benefits.
- According to IAS 21 – borrowing costs, exchange differences arising from foreign currency loans may be included where these differences are treated as an adjustment to interest expense. The excess between the carrying amount of an asset in progress and its recoverable amount when the estimated final value or cost of the asset is greater than the recoverable amount of its net realizable value. Yes, the remaining value is written down (written off) according to other IAS requirements. However, Vietnamese accounting standard VAS 16 - borrowing costs does not mention this issue.
- According to IAS 16, “machinery, equipment, factories”, major repair costs of fixed assets are accounted for as expenses. According to Vietnamese accounting standards VAS 03 "tangible fixed assets", major repair costs of fixed assets will be accounted for in a long-term prepayment account and allocated over several years.

Accounting for Business Results According to International Accounting Standards

According to international accounting standards IAS 08 – *"Net profit and loss for the period, fundamental errors and changes in accounting policies"*, normal operating results are the results when the enterprise is conducted as a single entity. Part of its business activities and related activities in which the enterprise participates. These results are included in pre-tax profits. Extraordinary items are income or expenses that arise from events or transactions that are clearly

different from the normal activities of the business and that are therefore not considered to arise regularly.

In general, in IAS 08, the contents on determining business results are of a general and professional guidance nature, while Vietnamese Accounting Standards VAS 29 (Changes in accounting policies, accounting estimates and errors), are specified clearly and in detail for each type of business activity of the enterprise, that is, results from sales and service provision, business performance results and other operating results.

4.3. Accounting for Revenue, Costs, Business Results in Some Countries around the World and Lessons Learned for Vietnamese Businesses

4.3.1 Accounting for Revenue, Costs and Business Results in Some Countries around the World in U.S.A

The US accounting system's regulations on accounting for revenue, costs and business results are basically consistent with international practices. The recognition of revenue and expenses in Accounting Standards in the US stipulates the same conditions as international accounting standards. American Accounting Standards also specify the recognition of revenue and costs associated with specific industries such as information technology, services, and transactions. According to American Accounting Standards, revenue can be recognized at one of three times: revenue recognition before the time of delivery, revenue recognition at the time of delivery, revenue recognition after the time of delivery. Revenue deductions include: sales discounts, sales returns, payment discounts, and trade discounts are not revenue deductions.

American accountants also have many ways to classify costs, but in general there are two most popular ways: classifying costs by price (fixed costs, variable costs) and classifying costs by relationship. relationship of costs with items on financial statements (product costs, period costs). The account system that reflects revenue, expenses and business results is type 4, 5, and 6 accounts. To determine business results, the American accounting system closes revenue and expense accounts. Fee. This is also relative to accounting regulations in Vietnam.

US financial reports always comply with US specific principles and regulations, although there has been a trend of international accounting convergence. In presenting revenue and expenses on the income statement, American accounting standards require businesses to prepare income statements according to the function of expenses.

In France

The accounting system in France regulates revenue, cost and business results accounting basically in accordance with international practices. The recognition

of revenue and expenses in French accounting standards stipulates the same conditions as international accounting standards. French accountants only accept the moment when the sale actually occurs and the accountant has the results of the transaction to record in the accounting books. Revenue deductions include: Discounts, rebates and payment discounts.

Business operating costs are often divided into fixed costs and variable costs. In particular, the French accounting system is also divided into allocated costs, unallocated costs and additional costs for some specific industries.

In France, there is a unified account system for businesses, including types 1 to 8 with 2-digit symbols. Accounts that track revenue, costs and business results are type 6 and type 7 accounts.

In presenting revenue and expenses on the income statement, French accounting standards allow presentation on the basis of classifying costs by function or according to the economic nature of the costs. According to regulations in France, accountants only use one form of book, the General Journal form. Applying this form, businesses will exploit the advantages of this form which are simple, easy to apply, and easy to check and compare.

4.3.2 Lessons Learned for Vietnamese Businesses

Through studying accounting standards, models, and accounting work, Vietnamese businesses can learn and absorb valuable lessons in organizing the accounting system in Vietnam such as after:

The First, on Accounting Policies, Regimes and Standards

Currently, many countries around the world have fully developed accounting standards according to international practices and apply international accounting standards flexibly. (as a guide for implementation, the organization of accounting work of businesses in other countries is mainly governed by accounting standards and recognized principles); In reality, Vietnam's accounting regimes and standards are still exemplary, gradually approaching international accounting practices and standards as well as reality in Vietnam. In addition, the organization of accounting work in businesses in Vietnam is governed by many different accounting policy systems such as: Accounting Law, Accounting Standards, accounting regime, or circulars, decree...

Therefore, it is necessary to build a full system of accounting regimes and accounting standards in accordance with international practices as well as reality in Vietnam. At the same time, continue to apply international accounting standards and implement comprehensive unification between accounting policy systems.

Circular No. 200/2014/TT-BTC guiding the corporate accounting regime issued by the Ministry of Finance replacing the recent Decision No. 15/2006/QĐ-BTC has inherited international experience on work organization. Vietnamese accounting. Vietnam's accounting regime has become more guiding, creating flexible and open accounting, giving businesses more decision-making power. At the same time, the new accounting regime has applied some additional content of international accounting standards such as: Content of international financial reporting guidelines (IFRIC 13), international financial reporting standards (IFRIC 13). IFRS 15). However, in the new context, there is still a need to continue to make changes and adjustments to accounting policies based on lessons learned from other countries to create conditions for the accounting work of businesses in Vietnam to perform. More effective and consistent with international practices.

Second, Regarding the Organization of Accounting for Revenue, Costs and Business Results in Businesses:

Currently, most businesses in our country organize revenue and cost accounting models with the goal of mainly focuses on solving financial accounting issues that have not yet completely resolved corporate governance goals.

Therefore, Vietnamese businesses can learn and apply the accounting model combining financial accounting and management accounting from advanced countries like the US to the accounting model of revenue, costs and economic results. Do business in your own company. At that time, accounting for revenue, costs and business results will provide complete and detailed information from both the perspective of financial accounting and management accounting, from which administrators will have gain an overall vision, objective assessment, to make more accurate and effective decisions.

At the same time, building such a revenue and cost accounting model will save the cost of circulating documents and save personnel costs when not having to organize two separate financial and accounting systems. Independent management accounting. This model is also suitable for the accounting level of current businesses and ensures easy inspection and control.

5. CONCLUSION

Good management of revenue, costs and business results is an important factor contributing to enhancing competitiveness, ensuring safety as well as the ability to achieve high efficiency when making business decisions that lead to growing enterprise. Proactively researching revenue accounting, costs and business results in a number of countries around the world is of great significance. Thereby, Vietnam can learn and draw valuable experiences about accounting models, ways of viewing and accounting in general and accounting for revenue, costs and business results in particular in other

countries. In the world, from there gradually changing and approaching to integrate with the global economy.

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