

Research on the Impact of Internationalization Development of Financial Accounting on Chinese Banks

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Abstract: With the development of China's economy, Chinese banks are also carrying out continuous reforms. It has become an inevitable trend for Chinese banks to integrate with international finance. The internationalization of financial accounting is becoming more and more obvious, breaking through the traditional theoretical constraints and changing the traditional content structure, which will surely produce a significant impact on all aspects of Chinese banks. According to the current trend of internationalization of financial accounting, its impact on Chinese banks are effectively discussed.

1. Introduction

With the development of economy, China has opened its banking industry in an all-round way. Chinese banks have also accelerated the pace of reform and have been listed in all parts of the country as well as in all parts of the world. It has become an inevitable trend for the development of industry to be in line with international standards. With the continuous development of the internationalization of Chinese banking industry, the internationalization of national financial accounting is also progressing, which will inevitably have some important impact on the quality of accounting information and management of banks.

2. Problems of Impact on Financial Accounting of Chinese Banks

2.1 Level of Management is Limited

The content of commercial bank management mainly includes the following points: (1) Set up reasonable business processes and relevant management systems, and establish a development management system that is in line with the corresponding position management personnel. (2) Do a good job of market research, master the latest market trends, and then effectively manage and forecast. (3) Improve resource development and rationally use resources. (4) Do a good job in the management of inspection equipment, as well as financial expenditure, income-related records and management work. Since supervision is with very strong principles, only by strictly abiding by the corresponding basic principles can the job in the supervision of banks be well done. While Chinese banks have not carried out strict operation according to these principles^[1].

2.2 Financial Accounting System needs to be Optimized

The scale of developing financial accounting assets will expand so rapidly that the effect is effective and the yield results are generally stable. It can also effectively promote most of the financial accounting amount of our banks to invest in the development of financial market. Private lending institutions also inject different kinds of funds into the product development. Thus, the development of the whole financial market will be effectively promoted.

Relevant departments in China have also begun to conduct a comprehensive and systematic investigation. They understand that financial market is not a reasonable market for development, and financial market will produce a series of social problems. Relevant departments are expected to make targeted solutions to make an adjustment and control^[2].

2.3 Operation of Financial Accounting Procedures is not Standardized Enough

Chinese banks face great market risks. Because the internal and external environment of financial market is changeable, so there are certain risks. In the process of execution, the market risk may become a hindrance. Because the overall internal operation and management of Chinese commercial banks are not qualified, there are certain operational risks in the implementation process. However, the work ethics of bank staff, execution technology level and operation and management mode in our country bring certain risks to our banks. For financial accounting business of Chinese banks, the ineffectiveness of the control of internal operation and management of banks will result in a horrible operational risk, leading to the implementation of financial accounting business errors. The internal operation ability of our banks and the staff are required to improve their all-round abilities.

3. Suggestions on the Impact of Financial Accounting on Chinese Banks

3.1 Enhance the Audit of Investment Ability

Relevant financial accountants are required to first recognize some forms of shareholders in financial development projects. The initial funds owned by financial development projects can make use of cash, intangible assets, specific technology to issue funds. As for the form of cash contribution, the financial accounting staff of commercial banks should examine and judge whether the corresponding registered funds can pass audit and judgement or not. The amount of investment should also be consistent with the actual business requirements. The certification report of registered capital provides relevant certificates to our banks. After the inspection, if the development shareholders request to withdraw all the funds they have invested, then the corresponding auditors need not to be liable. Financial designers of our banks are allowed to make inquiries based on the establishment of corresponding accounts for financial development projects, and the direction of related capital chain, so as to effectively prevent the withdrawal ratio of funds from some financial development projects. In order to understand the real value of relevant land, land use right is used instead of cash contribution, so as to realize the real market value of the same type of surrounding land and the selling price of land in the same period, thus helping the Chinese banks to evaluate the financial staff objectively and rationally.

3.2 Understand the Background and Characteristics of Financial Accounting

To a certain extent, financial development reflects the competitiveness and management ability of financial market. At present, the comprehensive strength of Chinese financial development enterprises is divided into four levels. Those of the first and second levels generally have sufficient experience, while those of the fourth level have obvious deficiencies in experience. In the process of providing financial development loans to financial developers by commercial banks, first of all, it is necessary to understand the issue of financial development qualification in financial opening up, so that some situations can be avoided, such as the mixed use of more enterprises with qualifications. Once it is found that the scale of development projects of relevant financial openers does not conform to the actual level of financial development qualification, it will no longer provide relevant accounting funds for them.

3.3 Strengthen the Transmission of Financial Accounting Information

If the transmission of financial accounting information is hindered or the content is different, banks of our country may cause some loss in the invisible. The reason for this loss is that the bank transaction object of our country has not fulfilled its obligations according to the relevant transactions, leading to the impediment of the execution of banks and directly affecting the financial loss and market reputation of banks. If the information is asymmetry, it will directly affect the internal management and operation of our banks, as well as the financial amount. In the process of accepting business, the borrower or the applicant can not compensate the principal or interest of financial accounting according to the anticipated plan, or even fail to fulfill the responsibilities in

the transaction writing. This will lead to problems in the execution results of our banks as well as in the credit degree of our banks in the process of financial accounting business.

4. Impact of Financial Accounting on the Balance Sheet of Chinese Banks

4.1 Internationalization of Financial Accounting will Change the Traditional Classification of Financial Assets and Liabilities

If the financial assets are classified according to effective transaction, there will be transactional assets including holding maturity investments, loans and receivables, financial assets available for sale, as well as holding up to maturity investments, including loans and receivables and a corresponding financial asset. Responsibility is divided into transactional finance and other financial sector for management. Once the asset and liability classifications are determined, they may not be changed at will. The method reflects the purpose and significance of holding finance of banks in our country, which is helpful for the statement maker to make an effective judgment on bank risk in our country.

4.2 Balance Sheet Items will be Richer

Balance sheet items need to meet the relevant requirements. Only in this case can enterprises show that they are responsible for asserts to confirm financial assets or financial liabilities. The relevant conditions for financial termination are: whether the risks and reports of ownership of financial assets can control financial assets or not. According to the relevant provisions of these countries, banks of our country will consider all kinds of rights and contractual obligations of the instruments developed therefrom as financial assets and liabilities. Financial assets and liabilities including those that have been securitized and are not enough to terminate the recognition conditions are contained. The statement of assets liabilities and other contents should be included to improve information more comprehensively.

4.3 Portion of Financial Instruments is Measured at Fair Value

The value changes with the change of fair value. One reason is that financial assets or responsible fair value changes constantly and another reason is that changes in fair value include rights and interests, which affects the overall change. Therefore, without other assets responsible for the change, the price of financial instruments will undulate, which will also bring about the cliff of asset-equity-debt ratio. Some listed and soon-to-be listed bank financial assets put forward higher requirements. In addition to transactional financial assets, the impairment of other financial assets are subject to relevant laws, increasing the volatility of assets.

5. Impact of Financial Accounting on the Profit and Loss Statement of Chinese Banks

5.1 Impact on the Operating Profit and Loss of Chinese Banks

According to the current bank accounting framework, changes in the economic price of financial instruments are actually shown as gains, which leads to the possibility that Chinese banks may increase accounting profits and conduct a transaction. It requires that most financial instruments should be recognized in the balance sheet. In addition, according to the different purposes of holding financial instruments and the different needs of different measurement attributes, the gains and losses arising from the changes in fair value of transactional financial assets and financial liabilities should be included in the current profits and losses. Meanwhile, the gains or losses resulting from the closure changes in the value of financial assets available for sale should be included. Thus, it restrains the operation profit behavior of banks in China by using the change of the value of financial instruments. There is a requirement that the preparation for impairment should not be rotated, which also reduces the possibility of manipulating profits by using the preparation for impairment. The relevant provisions may restrict the recognition of the category of financial instruments. This means Chinese banks may confirm in advance that gains and losses will change,

and the space for regulating returns will be further reduced.

5.2 Impact on the Profit and Loss Statement of Chinese Banks

The internationalization of financial accounting also has an important impact on the traditional income statement. Traditional profit and loss statement determines income, cost, profit and loss according to realization principle, but the application of fair value measurement attributes, especially the confirmation in derivative financial instruments Table, will definitely lead to a large number of unrealized gains or losses. The traditional income determination mode characterized by historical cost, realization principle, matching principle and health principle will suffer great challenges. Some western national accounting standards-setting institutions will solve the emerging problems. The development of China's financial accounting, especially the recognition of derivative finance and fair value measurement, will certainly promote the improvement of China's income statement.

6. Summary of the Impact of Internationalization of Financial Accounting on Chinese Banks

Once the securitized credit assets produce the effect of liabilities, it is impossible for Chinese banks to gain advantages in capital supervision through securitization, thus improving the requirements for Supervisory Capital of Chinese banks. It seems that the internationalization of financial accounting not only affects the information quality of Chinese bank accounting, but also improves the supervision of banks, promote the profitability of our banks and vigorously develop their business. Only in this way can the regulatory authorities meet the relevant requirements and thus resist the occurrence of bank risks.

7. Conclusion

At present, the operation and management system of Chinese banks has not been established for a long time, and the control concept of financial accounting risk and some related information entered Chinese market relatively late. Many beginners of finance do not know much about some relevant contents of financial accounting in Chinese banks. In the face of the current situation, causes and some methods of dealing with financial accounting risks in China, it is essential to adopt targeted analysis, on the basis of theory, carry out effective evaluation according to the financial development projects, and study the financial accounting discovery management of our banks, which can effectively understand the financial accounting risks of our banks, as well as play a role of reference for other projects., thus making the development of banks in our country go further.

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