

The Reliability and Characteristics of Financial Accounting Information

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Abstract: As we all know, accounting began to develop based on fiduciary responsibility, and the reliability of accounting information is inherent. After the capital market became the main way for enterprises to raise funds, the characteristics of accounting information turned to “use of decision making”, so relevance became the mainstream of accounting information, and reliability was second. In the conceptual framework of financial accounting, the quality of accounting information is a “bridge” between the accounting objective and the means to achieve the goal. It constrains the information provided by the financial statements to meet the requirements of the target. Since the quality characteristics of accounting information are to maintain accounting objectives, the specific determination of quality standards or characteristics is of course closely related to accounting objectives. Financial accounting information should meet both reliability and relevance requirements, and reliability is inherent. This paper analyzes the reliability of financial accounting information from the reliability of financial status information, the reliability of business results information, the reliability of cash flow information, and discusses the authenticity, comprehensiveness and structure of financial information reliability. Features, to provide a little help for the learning of other students and their continued progress.

1. Introduction

Since the reform and opening up, China has transformed the original economic system and implemented the market economic system, which has made China's economy a great vitality [1-3]. In particular, joining the WTO, a greater degree of contact with the world, and a higher degree of accession to globalization, China's economy has entered a new stage, ushered in a more leap-forward development process [4; 5]. With the rapid development of economy and society, the value of accounting information has become more and more prominent. The reliability of financial accounting information has attracted the attention of all parties, and reliability is the key factor and standard for information evaluation and evaluation [6-9]. The core principle of China's accounting work is the principle of reliability, which makes the principle of reliability the core of accounting work. The problem of accounting information distortion that occurs at this stage is mainly because its own quality is difficult to meet objective requirements, and the normative weakening of information [10-12]. Only by effectively improving the reliability of financial accounting information can the accuracy and practicality of information be improved. In this paper, the reliability of financial accounting information is analyzed from the aspects of the reliability of financial information, the reliability of business results information and the reliability of cash flow information.

2. Classification of Financial Accounting Information

Financial accounting information characteristics begin with income greater than cost and end with importance. Just like the two thresholds before and after, only the information providing cost is less than the benefit brought by the use of information, and only the information important to the information user is worth providing in detail. Relevance and reliability are considered as the primary information quality characteristics, which is also followed by the financial accounting conceptual framework of other countries. Financial accounting information is a kind of standard

financial information that the enterprise publicly discloses to the asset owner according to the commonly understood accounting theories and concepts and the generally accepted accounting standards. The asset owner is the main user of the financial accounting information. The financial accounting information comes from the enterprise organization, only Financial accounting information in the modern sense will appear when corporate organizations emerge. Therefore, the asset owner is the main user of financial accounting information, and the financial accounting information is mainly related to the protection of the rights and interests of the asset owner. There are two main categories.

2.1. According to the Classification of Modern Accounting.

Accounting information is divided into financial accounting information and management accounting information. The former meets the needs of external interest groups by reporting the profitability, financial status and changes of enterprises, while the latter provides useful information for internal managers in terms of evaluation, control and decision-making. The connection is that financial accounting information is the basic information source of management accounting information, and management accounting information is the information that expands and derives from the use of financial accounting information in internal management. This paper mainly studies the financial accounting information under the framework of the concept of financial accounting, so the "accounting information" mentioned in this paper generally refers to the financial accounting information.

2.2. According to the Formation Stage of Accounting Information.

It can be divided into initial information and final information. Initial information refers to the accounting information obtained by preliminary processing of the original accounting data. If an accountant compiles an accounting voucher based on the original voucher of the economic business, and then registers the economic business in the account book, he can get the preliminary information of the economic activities of the accounting entity. However, this kind of information is only reflected in the books, is relatively scattered, is not systematic, for the preparation of accounting statements, it is only basic information, so they can only be regarded as initial information. The final information refers to the accounting information formed by the accounting entity through the preparation of accounting statements. Such accounting information reflects the accounting entity's financial situation at the end of a certain accounting period and the operating results during a certain accounting period, so it can be regarded as the final accounting information of an accounting entity after the end of a certain accounting period.

3. Relevance of Financial Accounting Information

The reliability of financial accounting information is inherent. Different countries have different definitions of the reliability of financial accounting information. For example, in international accounting standards, accounting information is not wrong or deviated, and can truly reflect the actual situation. The information situation provides a basis for practitioners, and the accounting information at this time has reliability. In other words, financial accounting information is reliable and requires four conditions, namely, no important errors, no deviation from direction, true reflection of information, and true basis. As an economic powerhouse, the US financial accounting agency believes that the reliability of financial accounting information is relevant information that can be trusted by users. Such information can not only stand the verification, but also can truly show the results of economic activities. Reliability, neutrality and authenticity account for financial accounting information as shown in Figure 1.

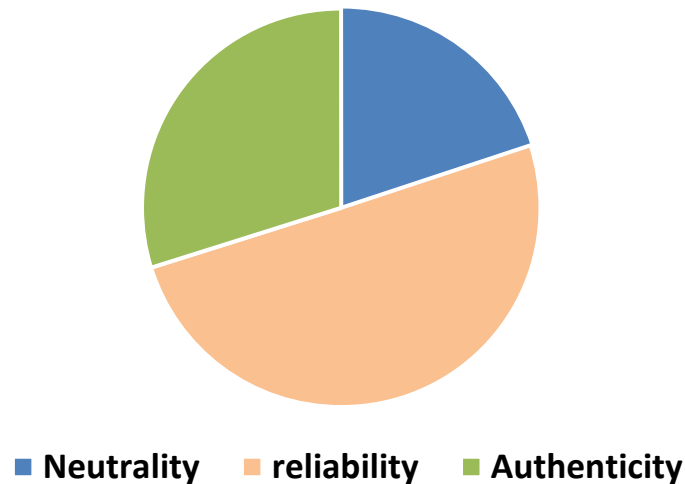


Figure 1. Reliability, neutrality and authenticity ratio

3.1. Reliability of Financial Accounting Information.

The reliability of financial accounting information is reflected in three aspects, one of which is financial information. Financial status mainly refers to the source and distribution of enterprise funds, which are presented through the balance sheet and its schedules. In the extracurricular materials, the author finds that the balance sheet can show the capital situation of an enterprise in a certain stage of operation, and it is often very refined. For example, every month, enterprises will generate two big items on the occupancy of funds and the source of funds. Under each big item, they will set up several small items to give the overall situation of funds. When managers try to understand the financial situation of enterprises, they can directly check the balance sheet of funds, get the information needed, clear framework and entries, and ensure the reliability of financial information. The reliability analysis of accounting information quality is shown in Figure 2.

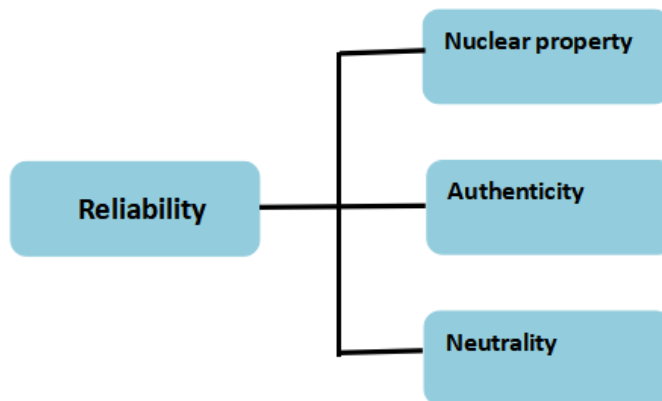


Figure 2. Reliability analysis of accounting information

3.2. Neutrality of Financial Accounting Information.

Neutrality usually means that the information reported is impartial and non-biased, requiring that accounting information must report the economic activity of the business as faithfully as possible. The meaning of neutrality and "fairness" is that unbiased and fairness is consistent. On the one hand, from the perspective of access to fair value, fair value is based on market information. In the fair trading environment, the price voluntarily reached by participants is the market-recognized pricing of assets or liabilities, even if there is no real market transaction. Value technology determines fair value and should use market available information whenever possible. On the other hand, according to the accounting principle of measuring assets and liabilities at fair value, when the market price of

assets or liabilities falls, the loss is recognized. When the market price rises, the income is recognized, that is, the fair value faithfully reflects the market price of the measurement object. Fair value measurement is more neutral than the historical cost measurement model that does not overestimate assets, income, do not underestimate liabilities, losses, and only recognizes impairment losses without recognizing value-added returns.

3.3. The Authenticity of Financial Accounting Information.

People produce various kinds of information in the process of thinking about objective things. Financial accounting information is the characteristics of financial accounting staff according to their own work. Structure is a derivative feature of the reliability of financial accounting information. If the amount of difference between the annual sales volume and the annual planned sales volume, the monthly sales volume, and the difference amount of the monthly plan are given, this treatment method helps the management to find the problem at a glance, and quickly analyzes the subsequent work plan and the problem together with the problem. Approach. At present, China's financial accounting information is mainly characterized by four characteristics. First, it is in line with international standards. Since the implementation of reform and opening up in China, a large number of international regulations have entered various fields of society, and financial accounting information is no exception. In the current financial accounting work, the system and management of financial accounting are gradually connected with international regulations. Second, to realize the development of information technology. In recent years, China's information technology has developed rapidly. The realization of financial accounting informationization is a requirement of the development of the times. A large number of financial accounting management work has introduced information technology. Third, it has expanded financial accounting information. Scope, after the introduction of the Internet + concept, financial accounting information has already broken through the original scope, showing a variety of new forms and new methods, financial accounting information covering the entire process of business operations. Fourth, it is required to have high-quality composite financial accounting talents. With the improvement and rapid development of China's economic system, financial accounting information must be expressed as international and advanced, and better serve the development of enterprises.

4. Suggestions on Improving the Reliability of Financial Accounting Information

4.1. Establishing a Sound Financial and Accounting Supervision System.

Internal supervision should play its role. Enterprise managers should change their management concepts in a timely manner, comprehensively supervise the operation of internal financial and accounting work, so as to provide services for enterprise management and improve the competitive level of enterprises, establish perfect financial supervision system, accounting supervision system and internal audit system, comprehensively supervise the operation of enterprise funds, and strictly examine the activities and operations of enterprise revenue and expenditure. Conditions for the development of enterprises to formulate effective decision-making, help enterprises to receive higher economic benefits. Making full use of social supervision CPA play an important role in accounting supervision and can effectively manage the smooth operation of state-owned assets. Social supervision departments should produce correct audit reports. They must have a sound self-management system to ensure the smooth development of financial and accounting supervision. Using this supervision mode to realize the separation of enterprise administration and enterprise management can prevent enterprise investors from interfering too much in the production and operation of enterprises. State departments also need to participate in the supervision of state auditing. They should further expand the scope of auditing, strictly audit the financial behavior of government agencies in general, and prevent waste of funds and corruption.

4.2. Scientifically and Reasonably Plan the Internal Resource Allocation of Enterprises.

Under the traditional manual accounting, financial data are recorded in paper. The labor force is

large and easy to be tampered with. After modification, there are still traces left. In the context of the reliability of accounting information, the use of magnetic media carriers, electronic data modification is not easy to be found. This requires the financial personnel to keep their username and password when using the computer, and to lock the computer when leaving the seat. It is forbidden for outsiders to use working computers and to use computers to operate content unrelated to work. It is better not to open external web pages or U disks to prevent hackers from intruding. In the aspect of internal control, enterprises should set up authority among departments, log in system for identity authentication, improve information software operating system and other measures to reduce human errors such as accounting information leakage; in the aspect of external control, strengthen remote control, public access control, set up certain virus and hacker prevention and identification procedures, etc., can also establish a cloud-based data preservation system, to the greatest extent possible. Low enterprise accounting information reliability risk. Chinese enterprises should focus on improving their management system, clarifying their responsibilities among departments, and clarifying business processes and division of responsibilities. Without rules, Chinese enterprises should attach great importance to the system construction and environmental order of enterprises.

4.3. Formulating Sound Standards for Guiding Construction of Financial Accounting Information.

The basic principle of scientific development is to have strict management system. Under the standard management system, we should establish a fair reward and punishment system, achieve equality for all, improve the enthusiasm of employees' working attitude, and improve work efficiency. The serious shortage of funds and talents hinders the application of financial software in Chinese enterprises. The cost of hardware and software, the operation and maintenance of the later system and the expenditure of personnel are difficult to bear. The development of financial accounting information is long and arduous. Therefore, management should take a far-sighted view, coordinate the financial arrangements of enterprises, and scientifically formulate the development plan of financial accounting information.

5. Conclusion

In the market economy of the new era, financial accounting information has gradually become technicalized and coded with the development of information technology. From the collection and use of information, we have resorted to the powerful means of information technology to make financial accounting form a network-like information structure in the entire international market economy. A large amount of information collection and advanced technical means have enabled financial accounting practitioners to improve. In the case of financial accounting information processing efficiency, financial accounting informationization is indispensable. It can be seen from the actual operation that the most important feature of financial accounting information is reliability, and the reliability of accounting information is guaranteed to ensure that its content is more real and effective, thereby highlighting its accuracy and integrity. In the specific operation process, the reliability of financial accounting information enables investors, creditors and other information users to better grasp the basic financial status of the enterprise, and then scientifically make decisions to improve the effectiveness of overall decision-making. To a certain extent, it is directly related to relevant The interests of stakeholders can have a certain impact on their decision-making and scientific and rationality. Therefore, it is essential to grasp the reliability and characteristics of financial accounting.

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