
Accounting practice regarding discounts. Limitations and actions for a modern legislation

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Abstract

Revenue is an important indicator for the users of financial statements in their assessment of an entity's financial position and performance. Therefore, the applicable regulations regarding the recognition and measurement of revenues play an important role in shaping the corporate image.

This article focuses on some specific accounting transactions under Romanian GAAP (The Order of the minister of public finance no. 1802/2014) by comparing the accounting treatment with that in compliance with IFRS 15 Revenue from contracts with customers. Whenever it was considered necessary, there were presented the new tax requirements - according to the new Tax Code in force from January 1st, 2016. This new standard intends to cover the gaps from other previous standards (IAS and IFRS) or their respective interpretations (SIC and IFRIC) such as IAS 18 Revenue and IAS 11 Construction contracts.

Keywords: *Prompt payment discount, significant financing component, consideration paid or payable to a customer, right of return.*

JEL Classification: G32; H32; M41

To cite this article:

Tănase, A.E. and Calotă, T.O. (2016), Accounting practice regarding discounts. Limitations and actions for a modern legislation, *Audit Financiar*, vol. XIV, no. 3(135)/2016, pp. 334-342, DOI: 10.20869/AUDITF/2016/135/334.

Permanent link to this document:

<http://dx.doi.org/10.20869/AUDITF/2016/135/334>.