Research on the Development of Financial Accounting under the Environment of Network Economy

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Abstract. The network economic environment has a great and profound influence on accounting nature, accounting goal, accounting function, accounting hypothesis, accounting measurement attribute, accounting basis, accounting information quality characteristics, accounting elements, accounting reports and other accounting theories. The in-depth study of these effects will help to further expand the e-business theory, accounting theory and accounting practice knowledge under the network economic environment. This paper, starting with a brief understanding of the network economy and the network economic accounting environment, focuses on the analysis of the influence of the development of network economy on the research of accounting theory and practice, and then analyzes the main problems faced by accounting confirmation, accounting measurement, accounting records and accounting reports, and puts forward the corresponding improvement measures.

An Overview of the Network Economy

The network economy is a new economic form based on the Internet and taking modern information technology as the core. It takes knowledge and information as the key resources and e-commerce as the main form.

The main characteristics of the network economy include: (1) Beyond the limitation of time and space. Based on the Internet, economic activities are less restricted by time factors, and the geographical distance becomes irrelevant. (2) Directness. In the environment of network economy, producers can directly connect with consumers, suppliers and partners, which can significantly reduce transaction costs and improve economic efficiency. (3) Immediacy. Because of the diversification and individualization of customer needs and the rapid spread of network information, the trend of the network economy should be "instant economy" or "real time operation economy" which is highly sensitive to market change. Customers can compare the quality of the products through the network in a short period of time. Some digital products can also be immediately ordered, paid, delivered in a moment. (4) Virtualization. Network economy is an economic activity in the electronic virtual space formed by the Internet, and knowledge and information become the key resources. The intangible products, such as the data and the professional software system, can replace the object of the transaction. (5) No paper. In electronic commerce, electronic information has replaced a series of paper documents. The process of sending and receiving the whole information is paperless because electronic information exists and transmits in a particular form. (6) Innovativeness. The e-business activities in the network economy are changing rapidly, the life cycle of the product is shortened, and the network participants need to innovate constantly to meet the changing demands of production and life, and the network economy is also an innovative economy.

To sum up, the accounting environment in the network economic environment has undergone fundamental changes. There is a great difference between the network economic environment and the traditional economic environment.
The Connotation of Accounting Environment under the Environment of Network Economy

Accounting theory and practice are always based on a certain objective accounting environment on the basis of the so-called accounting environment, which refers to the objective social environment that the accounting theory and practice depend on. It is an external factor affecting the accounting system, which includes economic, political, legal, social and other factors. The accounting environment will not only reflect the demand for accounting information by the users of accounting information, accounting procedures and methods, but also reflect the willingness of the enterprise to provide accounting information, and the development of the accounting theory and practice of digitalization, virtualization and real time have become the new features of today's network economy, which not only speeds up the sharing of information and data, also affects the operation mode of business between traditional enterprises. With the popularization of digital technology, the virtual survival is possible. "E-commerce" and "virtual enterprise" are full of the whole network platform, and are affecting the various levels of our life, which have a great shadow on the accounting environment.

The Development of Accounting Theory under the Network Economy Environment

The Nature of Accounting

In the era of network economy, with the development of mobile Internet and information technology, accountants will gradually emancipate from the basic functions, expand to the direction of management, provide useful information for the users of accounting information, including financial and non-financial information. The scope of accounting information is continuously expanded. The business community also believes that accounting is a professional management work, which belongs to "technical work", just as workers are generally divided into mechanic and universal workers, and management posts should also have this difference. Based on the above point of view, under the network economy environment, accounting essence is more inclined to "technical management activities".

In the traditional business model, the financial accountants only need to understand the basic knowledge of accounting and how to use of financial software. The Internet only involves the local area network. With the development of network economy and e-commerce, financial accountants, related departments and institutions should improve their professional competence from professional field, continuing education, education form, education content, and university curriculum.

Firstly, accountants need to be familiar with new type of electronic commerce, mobile Internet, Internet finance, asset evaluation, human resources and so on, and become compound talents in addition to the basic knowledge of accounting, financial software and IT.

Secondly, the accounting continuing education should pay attention to accounting practice, especially pay attention to the current accounting environment, e-commerce, making the accounting continuing education becoming a tool for financial departments and training institutions to accumulate wealth.

Thirdly, reform the traditional educational education, develop the teaching direction of the network accounting, make full use of the Internet carrier, open the social software class and the net school education, carry out the research on the O2O accounting teaching and course selection system, realize the diversification of the accounting teaching form.

Finally, reform the content of accounting professional education, and emphasize the comprehensive accounting skills education which adapts to the network economic environment.

Accounting Function

The basic functions of financial accounting are accounting and supervision, including forecasting economic information and participating in economic management. With the continuous development of the network economy, however, especially the flourishing development of traditional e-commerce and electronic commerce 2.0, the function of enterprise financial accounting
will be gradually transferred from financial accounting to management accounting. Based on this, the content of enterprise accounting will be diversified, the traditional business activities are no longer the main content of accounting, the financial analysis becomes the mainstream of the accounting work, and the accountants develop from the financial to the management. Following this change, the carrier of accounting software will change, too. It will gradually develop into e-commerce ERP from the traditional accounting computerization and the accounting informatization of ERP.

**Accounting Assumption**

**The Assumption of Accounting Subject.** Network economy is a kind of economy that transcends time and space, and it is a cooperative and competing economy. The virtual enterprise, which is based on the knowledge economy era, is very different from the enterprise with the background of the industrial era. The virtual enterprises not only include e-commerce enterprises, but also include the temporary alliance based on opportunity, resource advantage and conception. There is no doubt that under the network economy environment, the connotation and extension of the assumption of accounting subject will further expand.

Due to the expansion of the boundaries of accounting subject and their characteristics of exceeding time and space, paperless and virtual, tax levy has also been greatly affected. For example, the electronic commerce under the network economy is paperless, and the digital contract and digital time have replaced the written contract and bill in the traditional trade, which weakens the tax authorities' ability to obtain the operating status and financial information of the taxpayers. The virtuality of e-commerce makes it difficult for the tax authorities to identify the identification of e-commerce users and their geographical location, and can’t be allowed to audit the transaction of the taxpayers, the amount of tax payable. The development of cross-border e-commerce, micro business B2C and micro business C2C has made the tax collection and management costs rising.

**The Assumption of Continuous Operation.** The accounting standards for enterprises believe that the enterprise should take the continuous operation as assumption. The enterprise should change the principles and methods of accounting if it is in the state of bankruptcy and liquidation. But in the network economic environment, based on the resources, advantages, ideas and other temporary alliance, its starting point and motivation are not the continuous operation, nor is it belongs to the bankruptcy liquidation, but belong to the temporary operation under special circumstances. Therefore, the continuity of operation hypothesis should expand its scope of meaning, which can be defined as a non liquidation assumption or a non termination assumption.

**The Assumption of Accounting Installment.** Under the traditional accounting environment, accounting process is conducted according to year, quarter or month, mainly for different users to provide the same accounting information. But this kind of division can’t meet the individual needs of different decision makers or report users. Due to the convenience of the network economy, especially the e-commerce 2.0, the timely and quick provision of accounting information has become a reality, and the significance of the existence of the accounting installment assumption will be greatly weakened.

**The Assumption of Monetary Measurement.** With the development of network economy, virtual currency appears in the market, and its application scope is expanding. In foreign countries, there are hundreds of e-commerce websites that accept bitcoin payment and shopping. There are a wide variety of virtual currencies in our country. The annual virtual currency has reached billions of yuan, and it is growing at a rate of 15%-20% every year. Virtual currency can not only purchase online, but also become a channel for people to invest in finance, and become a part of Internet finance. The emergence of virtual currency undoubtedly has an important impact on the monetary measurement assumption. In addition, with the changing needs of the users of accounting information, the provision of non financial information, which is useful for decision-making, will also become a content of the accounting report, which also poses a new challenge to the assumption of monetary measurement.

Based on this, fundamental changes have taken place in the way of accounting settlement.
Accounting mainly uses computer office. With the development of network economy, some office tools will transform into mobile electronic devices. Under the network economic environment, some large enterprises settled through online banking, accounting personnel must understand the innovation funding settlement, more use of online banking, Alipay, WeChat business platform, and even virtual currency settlement etc.. In this way, we can not only save time and cost, social resources, but also improve work efficiency.

The Development of Accounting Practice under the Network Economy Environment

Accounting Confirmation

Accounting confirmation is the process of classifying and recording the express data according to the accounting elements in the accounting system. Once a certain accounting item is confirmed, it is required to record it in the form of words and data in the form of the accounting statement, which is divided into initial confirmation and reconfirmation. The initial confirmation includes the compilation and audit of accounting documents, the registration of account books. Reconfirmation mainly refers to the compilation of the accounting statements. The Internet transaction has high excess income. The confirmation of the business in internet is a continuous process. The demand for the ratio of the income to the cost is getting higher and higher, and the accountants have the core. The amount of work and the difficulty of work both are increased.

Accounting Measurement

The accounting measurement of enterprises has the characteristics of homogeneity, confirmatory and consistency. In the traditional industrial economic environment, enterprises generally measure the economic activities by historical cost. However, with the changes in the economic environment of accounting, the principle of valuation based on historical cost also exposes its inherent limitations. Firstly, the historical cost valuation can’t adjust the book value of the assets with the change of the market. It only reflects the historical value of the asset purchase, so it can’t reflect the requirements of the quality relevance and reliability of the accounting information. Secondly, the historical cost is static, lagging, not fair, so the management authorities can’t make strategic readjustment at any time the market changes. In the environment of network economy, enterprises are more and more inclined to take fair value as its main measurement model and reflect the value of assets more fairly. In fact, the development of network economy provides a more active market for business transactions between enterprises, and provides support for the fair value measurement. In addition, the network economic environment is complex and changeable, only using money as a measure can’t fully reflect the business situation of an enterprise. It is necessary to change the measure means, which can reflect all the financial or non financial information of the enterprise by the diversified measurement attribute, and provide the information users with the information related to the decision.

Accounting Records

Accounting record is the process of recording accounting business that have been recognized and measured by a certain way. E-commerce is the main support of the development of the network economy. It has the characteristics of real time and large volume of transaction, the increase of transaction demand and business volume make it is not only unable to meet the demand for the timely recording of transactions in the network economic environment, but also will bring a huge amount of work to the accountants. In order to meet the requirements of the new economic environment, the requirements of accounting must be fully electronic and the business process is tracked and processed in real time to meet the needs of the new economic environment.

Accounting Report

Firstly, the development of information technology makes more convenient between investors and sharing of data. The external financial report of the current accounting period can not meet the needs of the external users for the timeliness and effectiveness of the enterprise financial
information. In fact, the development of information technology has provided technical support for the real-time disclosure of financial reports, making it possible to lag the financial reporting to real time. Secondly, in the knowledge economy environment, the proportion of the assets of the enterprises has changed greatly. The proportion of intangible assets has risen greatly. We can see that the market value of many companies is often much higher than its book value, so the existing financial reports do not fully disclose the non financial resources, such as human resources, knowledge capital, and so on. Information is not conducive to the foresight of information users. At the same time, the development of network economic environment also raises higher requirements for the amortization of intangible assets in financial reports. In addition, as a supplement to the accounting statements, the notes to the financial statements should be disclosed and supplemented to all important matters related to the enterprise to improve the quality of the accounting information and meet the needs of the decision-makers.

**References**

