A Comparative Study of Chinese and American Accounting Model in the Background of ofo Bicycle

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Abstract. The study was designed to explore the development of China-US accounting model. It discussed the different connotations of ofo bicycle in accounting mode. The paper used the PEST analysis method to compare the main influencing factors and related contents. They compared economic, political, social and technological culture and other factors. It presented United States attaches importance to advanced decision-making useful view and our country is pursuing the unity of decision-making useful and fiduciary responsibility. This is the different characteristics of the social environment to adapt the accounting model. China is moving towards the path of international practice. The paper used a new and original method of the PEST analysis to excavate the hot point of ofo bicycle and extend it into the comparison of accounting model. The study indicates that its need to absorb advanced and reasonable ingredients in accounting mode.

1. Research Background

Recently, the wave of ofo (ofo is the shared bicycle by using mobile phone app) bicycle sweeps the country further through the foreign market to export the Chinese model. It holds the idea of sharing the city to connect overseas closely. It currently provides more than one billion travel services to 100 cities in four countries around the world. Its city coverage is twice as much as bicycles. It is more than the top 2 to the top 10 in the industry. It is the link of nearly 5 million shared bicycles. It can lock the nearly 50% of the supply chain resources in global. It performs accurate matching of demand and supply on a broad shared platform. It is favored by the global users, and first of all it should be welcomed by the industry. This phenomenon is closely related to the social and economic development of our country.

In the past, Chinese economy is only pursuit the speed. It does not pursue the efficiency and innovation in the high-speed development of the new stage. As we all know, the economic situation is good or bad on the development of a country, which is difficult to measure the impact. The perfection of accounting model should be based on the basic national conditions of our country. There is an inextricably linked in accounting model and a country's economic and cultural and social environment. But also emphasize that our country should learn from the Western accounting model and make it able to meet the needs of our country. US accounting practice system are the most influential accounting model in the word, its impact on international accounting standards are obvious. The study of the economic situation of the United States, the reform of the accounting model and the post-Enron era of American accounting standards can be a comprehensive display of the US accounting model[2]. And then according to China's national conditions, properly absorb the rich experience of US accounting standards. So that the formulation of Chinese accounting standards more scientific and effective, and the accounting model is more suitable for economic development.

2. The Basic Introduction

2.1 The Purpose and Meaning of the Election

With the deepening of trade cooperation between different countries, Chinese economy has been increasing to the outside. May 6, 2017, sharing the origin of the bike and release of strategic cooperation news, and a hundred years old Phoenix, the use of Phoenix has the advantages of existing
channels to further improve the overseas layout, and consolidate the leading edge of overseas markets. It is reported that Phoenix will be manufacturing in line with the needs of different users in the world and production standards of the ofo, this year their cooperation about production capacity of shared bicycle will reach 1 million. Chinese ofo innovation to the overseas, which accelerated the pace of China and international standards, but also inevitably lead to the complexity of the economic business. In imperceptible, the accounting model will also affect each other. In the international accounting model, the United States started relatively early, the development is relatively mature. This paper studies the comparison between American accounting and Chinese accounting model. It finds out the shortcomings of accounting in our country and puts forward the corresponding improvement measures. At the same time, it also promotes the merits of our accounting model and it can draw lessons from each other.

2.2 The Necessity of Comparison between Chinese and American Accounting Model.

In December 2016, ofo released a global strategy. It shared bicycles to Singapore, Silicon Valley and Cambridge, England. Overseas strategy is opening. This batch ofo was specially designed and produced by Phoenix Bicycle Factory. Phoenix and ofo in the collection of a large number of user data on the basis of the height, size and riding habits of the European and American users, choose a different frame and manufacturing. In appearance, the European and American version is large size. In 2017, cooperated with Phoenix and then upgrade. It has the Phoenix's leading bike R & D, manufacturing system, marketing channels, logistics advantages both at home and abroad. It further accelerates the pace of the sea. It is entering the vision of more foreign users. This solidifies the leading position in the world. The country is changing every day; the models of two countries are also different. According to local conditions, the United States and China have made more exchanges in just a few months. As Chaoyang Wang, president of Phoenix Bicycle, said, "With the deepening of cooperation between the two sides, ofo and Phoenix will become the globalization of Chinese enterprises; export the Chinese model, and lead the world standard model."

Chinese accounting model is also constantly output. Accounting has a certain degree of commonality among countries, and plays an important role in global exchanges. Just as the rational economic man assumes that people are in the pursuit of maximizing self-interest, in order to enhance their own control over the economy, the government will also give political significance to the accounting model, making it be a tool and means of national macro-control. International accounting is constantly convergence; our country is also trying to join in the ranks. And the United States as the world's pivotal power, its accounting level represents a certain degree of world level. The study of the similarities and differences between the United States and China's accounting, on the one hand it is conducive to improve Chinese accounting model continuously, improve the level of Chinese accounting and Chinese commercial development potential[3]. This not only makes our accounting standards more quality, but also improves the influence in the international. Find the strengths and weaknesses of Chinese accounting model, the two countries learn from each other. Only understand Chinese accounting system and the US accounting system, that is, with the gap between international accounting, can better understand our strengths and breakthroughs, and then targeted to solve the problems that exist, also expanded the influence of Chinese accounting model. On the other hand, when the quality of all aspects of accounting continues to improve, Chinese accounting practice in the treatment will be handier; the quality of accounting information in a certain extent can be improved.

3. PEST Analysis of Accounting Models in China and United States

Economic factor is the most important. Currently, on the market, the cost of each bicycle is 300 Yuan, the current rate of a bicycle in the use of about 2 times. Each count the lowest one dollar, then a year it can earn about 700 Yuan. According to the 30% scrap rate calculation, then a car can earn 610 Yuan a year. If a city invested 200,000 vehicles, then it will be able to profit 12 million Yuan. This $12 million for the operation is more than enough. In addition, the current ofo is not advertising. The
vast majority of cars will be posting ads. If ofo also use the body to make a advertising, this is an available income.

The app has high click rate of user traffic. There is a wide coverage and easy to use. Economic and environmental advantages are the user’s favorite. Users get the flow and money credit. These can guarantee the enterprise income. But it also speeds up the social and economic development. Chinese economy is underdeveloped, the national average income is not high, the low price of ofo attract a large number of loyal users, the convenient features make its users continue growing, which is consistent with Chinese economic situation. Although the economy can’t represent everything of the country, it is undeniable that the economy is one of the criteria for the state of development. With the development of the economic, accounting model produced and improved gradually. The rapid economic development and the expansion of enterprise scale have made the company's internal accounting more and more complex. So the company's transactions are more frequent. This requires a certain standard for its accounting treatment; it not only can improve efficiency but also be conducive to regulation. This naturally leads to accounting standards. The more developed the economy, the more problems in accounting practice, the better the accounting system will be. The development of accounting standards, the financial report of the clients can also be to a certain extent, reflected in the degree of economic development. The US economy is highly developed, and most of its industries are already privatized. US accounting standards are more likely to provide investors with more real integrity of the business situation. China has made great economic growth over the past few decades, which has dominated and regulated the reform of the accounting system. This model is prone to the problems of policy lag; it is difficult to achieve full compliance with all aspects of the request.

The influence of political factor is vital. In the legal support, it has the rapid development. In the accounting model, China's civil laws generally improve in the form of the law of its accounting standards, accounting procedures, accounting methods to regulate, and then innovation and development. Accounting laws in the company law, tax law and commercial law and other laws will jointly regulate the accounting model. For the case law of the state, the law on the accounting constraints is macro. The legal norms of US accounting standards are often developed by non-governmental organizations; accounting standards emphasize the authenticity and fairness.

Social environment and technology are closely related. America is masculine society but China is feminine society. The power distance is smaller in America than in China. However, American science and technology are more developed than China. In October 2016, the shared bicycles completed $ 130 million in round C financing, including US hedge fund Coatue, Millet and other investors. The ofo is from domestic to foreign countries, but the United States participated in financing also contributed to the development of overseas markets. The United States has a strong economic sensitivity. As Chinese socialist market economy is not mature enough, social response to economic indicators is not sensitive enough. Therefore, the management of accounting in China generally through the macro-means manages the economy. But with the social and economic environment more and more complex, accounting standards are more and more detailed. But the economic environment is always changing; we cannot put all the economic conditions in the accounting standards. The United States only rules on accounting principles to promote business choices and judgments. We can also try to learn this from the United States in China.

Chinese accounting is relatively complete. In China, it is mainly manifested in the form of laws and regulations, but in the United States, it is mainly in principle, and it is vaguer in the specific. Maybe the United States accounting is too dependent on the quality of accounting personnel; Once accountants have a quality problem, the whole accounting industry will be more volatile. And detailed written law and regulations are more instructive. At this point the United States should learn from it. This can be appropriate to alleviate the excessive demand for quality. Chinese accounting of all types of information to be disclosed are related to the detailed form and content on the provisions, for enterprises can quickly get started. But the operating space of the United States often encounters this situation, so that enterprises are always unable to start. For the information users, in China, it is easy to understand the disclosure of information unified. But face of various forms of information in the
United States, the user is also difficult to understand, and relatively difficult to obtain the necessary information from the funds.

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4. Conclusion

As you can see, the implementation of Chinese accounting mode in flash point and the learning experience of American accounting mode are synchronous. The cooperation between China and foreign countries has accelerated the interaction and exchange between the two countries. The successful innovation of this model has also accelerated China's economic development and strengthened economic and cultural cooperation with other countries, which in part has expanded our international influence. People need to be attracted to each other, as do countries. An important link between China and the United States is economic interest; China can’t be like a fool to go straight to the American accounting model as accounting for the "Bible". Soberly understand their deficiencies and assimilate the essence of American accounting in order to facilitate our future. The integration and coordination of international accounting standards is a long-term process of gradual running. So it can only be said that the results of the final convergence is not known and the future of the global accounting standards of the principle is difficult to predict. For any country accounting model without evidence to copy or plagiarism is to lift the stone hit his feet behavior. This requires researchers pay close attention to the changes in US accounting standards and the development trends. Focus on all aspects of the pros and cons of accounting standards. More importantly, it has helped the development of Chinese accounting standards and even the entire accounting and auditing industry.

5. References

