

Auditing

There are two types of auditing: external and internal auditing. External auditing refers to the examination of financial statements by an independent CPA (Certified Public Accountant) with the purpose of expressing an opinion as to fairness of presentation and compliance with the generally accepted accounting principles (GAAP). The audit does not cover 100% of the accounting records but the CPA reviews a selected sample of these records and issues an audit report.

Internal auditing deals with determining the operational efficiency of the company regarding the protection of the company's assets, accuracy and reliability of the accounting data, and adherence to certain management policies. It focuses on evaluating the adequacy of a company's internal control structure by testing segregation of duties, policies and procedures, degrees of authorization, and other controls implemented by management.

Tax Accounting

Tax accounting helps clients follow rules set by tax authorities. It includes tax planning and preparation of tax returns. It also involves determination of income tax and other taxes, tax advisory services such as ways to minimize taxes legally, evaluation of the consequences of tax decisions, and other tax-related matters.

Cost Accounting

Sometimes considered as a subset of management accounting, cost accounting refers to the recording, presentation, and analysis of manufacturing costs. Cost accounting is very useful in manufacturing businesses since they have the most complicated costing process.

Cost accountants also analyze actual and standard costs to help managers determine future courses of action regarding the company's operations.

Cost accounting will also help the owner set the selling price of his products. For example, if the cost accounting records show that the total cost to produce one can of sardines is PHP50, then the owner can set the selling price at PHP60.

Accounting Education

This branch of accounting deals with developing future accountants by creating a relevant accounting curriculum. Accounting professionals can become faculty members of educational institutions. Accounting educators contribute to the development of the profession through their effective teaching, publications of their research and influencing students to pursue careers in accounting. Accounting teachers share their knowledge on accounting so that students are informed of the importance of accounting and its use in our daily lives.

Accounting Research

Accounting research focuses on the search for new knowledge on the effects of economic events on the process of summarizing, analyzing, verifying, and reporting standardized financial information, and on the effects of reported information on economic events. Researchers typically choose a subject area and a methodology on which to focus their efforts. The subject matter of accounting research may include information systems, auditing and assurance, corporate governance, financials, managerial, and tax.