

DESIGN & IMPLEMENTATION OF BUSINESS INFORMATION

by skrp

The theory of Accounting is the foundation of all Business Information.

Accounting is the classification of quantified information, which is normalized to a standard measure, and seeks to be attain a total current valuation, the valuation is respective of the organization mission.

STATE

Historic state: the 1960s began to emerge as the Golden Age of academic accounting into a treatise, from a history of chaotic heterogenous accounting implementations. Frankly, inter-company comprehension of financials demanding internal sight & singular treatment.

The logical basis was established. The mathematical structure was explicit. Valuation of what each individual company sought - was rigorously established to be adaptive & coherent.

Business accounting was established to conform foremost to the objective of the business.

Current state: the 1970s implemented the Generally Accepted Accounting Principles by Government Mandate. The IRS demanded that all companies comply. This regulatory interference imposed company structure of accounts with the object of tax-income assessment.

Contrary to government belief - companies are not created with the purpose to pay taxes.

Management Accounting, being the internal focused structure of accounts, was forced into obselence. Thus the egg of the Golden Age of accounting was crushed and eaten by the tax-man.

DEFINITIONS

Management Accounting is the internal focused structure of accounts.

Generally Accepted Accounting Principles, being the government imposed business structure, fits the individual organization into a external classification first. What survives the external-first establishment may be conformed by the entrepreneur.

This establishes class-homogeneity as the foremost object.

Financials are then expected to be directly comparable.

PURPOSE

Novel trajectory of this manuscript. Each business is an organism of its members unified into an individual body. The imposed prejudice-by-type of GAAP does not dissolve this nature.

Therefore, each company warps the financials to a state in which the entire nature of the calculation is entirely illusionary.

The image of the financials grossly-collapses the form of the state of the company.

The root of this distortion is valuation.

The disease of the system is in the inconsistency of the objective of the accounting structure - against the nature of the mission of the company.

Taxable income is an entirely nonsensical measure of the state of the company.
Pension, Raises/Bonus, Vacation, Training, Update-Equipment, Loyalty, Survivability ...
To increase these accounts DIRECTLY reduce taxable income and thus diminishes profitability.
This damages the credit of the business by design: pay more taxes and invest minimum possible in company IN ORDER TO obtain strong credit, liquid stock, and pay higher taxes.

NATURE

A company is best built by the axiomatic principles established by Euclid.

Foundational principals by logic establish reason without blindness, being able to parse each event. basis.
Mathematic structures explicitly portray the rigor of the interactions of elements & operations. theory.
Valuation of elements into a homogeneous normal-measure must be isomorphic to foreign systems (taxable income, validation of survivability...). mission set into treatise.
Accounting must allocate events according to the mission of the organization. chart of accounts.
The Database information system must be accessible to all involved entities being restricted according to their position. SQL.
Automata directly reduces the load & cost of approaching the necessary accumulation of data to obtain a balanced image. python.
Audit is required to allow any sector of information to be readily understood by a foreign agent at each stage of the process. pandas & spreadsheet.
Standard Operating Procedure establishes the process explicitly for learning and review. text.
Reports are the final product, being the image of the state of the company at a given time. pdf.

Mission statement is built into logical theory - by the encoding of the objectives of the organization INTO a formal mechanisms to account for preferences & weights. This purpose is to remove the arbitrary nature of objective into an explicit ruleset. Thereby establish objectivity of quantification of the valuation of success.
Accounting is then set upon a logical basis - to classify events according to the rigorous mission objective.

Logic as the basis distills the minimum working set of independent types.
Automata executes operations to leave a remainder being the minimum work load.
Standard Operating Procedure cultivates self-healing longevity.
SQL Databases establish enterprise-level vision of all aspects of events.
Valuation sets all types of elements under one measure, a norm, established by the mission of the organization.
Pandas enforce auditability of automata data structures to be human comprehensible at every stage.
PDF commits a report to be an immutable object qualified to be historic record.

Mission statement builds the dimensions of the tuple of success.
Accounting builds the dimensions of all involved elements.
Valuation baptizes an type to be suitable for the accounting system.

Accounting is built by objective of mission.
All other concerns, taxation, credit, investing - are subsets of the relevant data.

NEST of WISDOM in OPERATIONS

logic
 automata
 database
 accounting
 valuation
 matrix
 statistic decision theory

LOGIC: propositions of axioms, inference syllogism.

AUTOMATA: explicit structure of reason by rigor.

DATABASE: enterprise-level environment within a greater universe.

ACCOUNTING: perspectives which map an image of the organization.

VALUATION: success tuple & weights substantiated by the mission theory.

MATRIX: linear systems interact across dimensions to integrate into one uniform measure, norm.

STATISTICS: Decision Theory is the culmination of all efforts into a set of choices, each traceable to logic, each result measurable.