



Activity name	Accounting and Taxation – Basic knowledge
Activity goal	The aim is to provide students basic knowledge of accounting and taxation. It is emphasized on skills development associated with the implementation of practical accounting entries based on the legislative framework.
Key words	Accounting, tax legislation, basic definitions, accounting principles, VAT
Time limit	30 minutes + 15 minutes for discussion
Target group	High school students
Objectives and tools	MS PowerPoint presentation and MS Word material are used for work within the lessons. The presentation is focused on defining basic definitions, further clarification of legislative framework, classification of enterprises into size groups, and transformation of accounting profit and loss to tax base. The aim is to emphasize a true and fair view of bookkeeping in accounting entities.
Annotation	The aim of this course is to define the fundamentals related to current accounting and tax laws and measures of the Ministry of Finance of the Slovak Republic, which define accounting principles and charts of accounts for accounting entities in Slovakia. Students will get theoretical knowledge regarding the basic principles of accounting and taxes, which must be followed by all accounting entities in Slovakia, regardless of the subject of their economic activities. In the tax area, emphasis is placed on the basic legal definitions of the Value-Added Act and the Income Tax Act.
Methodology 	The MS PowerPoint presentation with practical examples explains the issues in accounting and taxation. The lessons present basic definitions, classifications of accounting entities into size groups, basic valuation methods and transformation of accounting profit/loss to corporate income tax base. Students can participate in an open discussion. The discussion examines their primary opinion and view of the need for accounting and taxes in practice.
Theory 	In theory, the lessons are focused mainly on the Act on Accounting, and within the tax laws, on the Act on Value Added Tax and the Act on Income Tax Act. In more detail are discussed the information provided by accounting in monetary terms, as well as the economic result from operating and financial activities. The basic definitions, such as expenditure, expense, income, revenue, liability, and receivable are defined, as well as the accounting period and accounting records. The accounting units are classified into size groups and their economic operations are defined.

Examples



Based on theoretical knowledge, students classify accounting units into size groups and determine the accounting system. Based on the assignment, students enter individual accounting entry and prepare the financial statement in electronic form on the website of the Slovak Tax Authority. Consequently, they calculate accounting profit and transform it to the CIT tax base.

Referencies

- [1] The Act No. 431/2002 Coll. on Accounting as amended and on amendments of some act
- [2] The Act No. 595/2003 Coll. on Income Tax Act as amended
- [3] The Act No. 222/2004 Coll. on Value Added Tax as amended
- [4] Measure of the Ministry of Finance of the Slovak Republic No. 23054/2002-92, on stipulation of details of accounting procedures and framework chart of accounts for entrepreneurs.
- [5] Measure of the Ministry of Finance of the Slovak Republic of 16 December 2002 No. 4455/2003-92, which stipulated the details of the layout, designation and content specification of individual financial statements items and the scope of disclosure of individual financial statement data by entrepreneurs using the accrual accounting system as amended.