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There have been numerous reports of scandals that have arisen due to companies that have not been in compliance with the accounting standards that have been put in place. These scandals have always caught most people unawares and there exists a need to understand why accounting standards should be followed for improved performance by companies and the respective economies in general.

Germany is one of the countries that has continued to post impressive economic results and was not much great depression that has been going on in Europe. In fact, it has been one of the countries that are a major player in the European Union and has been at the forefront in insisting that countries such as Greece and Spain that have been hard hit by slow economic growth should be bailed out by the rest of the countries in the European Union. This is my primary rationale which made me choose to accept it. The BMW is a global leader with unbelievable revenues with economists projecting that it still has the potential for growth. I want to understand whether this company is a direct reflection of the German accounting laws. It must be noted that the BMW group came into being in 1917, and there is a need to understand how this group has survived two world wars, political volatility for over a hundred years and finally become a world leader. This is despite that in Germany, there were sharp divisions between the East and West Germany before the collapse of the Berlin wall.

BMW released its annual 2015 report which showed that all its leading brands increased in sales. This is the Rolls-Royce, MINI, and the BMW and projected that more growth would be achieved moving forward. There was also the examination of their financial reports by both the internal and external auditors. This analysis showed that there were no disparities in both reports, and hence they were adopted. There was also a breakdown of how taxes were paid after it attained a before tax profit of 1.98 billion before tax.

The continued adherence to accounting standards set in Germany and adoption of others established by the European Union has been one of the primary drivers of the growth of BMW Group, and there is a need for other countries to copy the German model so that accounting standards can lead to the production of global leaders.

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