1

Consistent

Complete

Precise

Assets = 5,000
Liabilities = 1,000
Equity = 4,000
Assets = Liabilities + Equity

2

Consistent

Incomplete

Precise

Assets = 5,000
Liabilities = 1,000
Equity = 4,000
Assets = Liabilities + Equity

3

Inconsistent

Complete

Imprecise

Assets = 8,000
Liabilities = 1,000
Equity = 4,000
Assets = Liabilities + Equity

4

Consistent

Incomplete

Precise

Assets = 5,000
Liabilities = 1,000
Equity = 4,000
Assets = Liabilities + Equity

5

Consistent

Incomplete

Precise

Assets = 5,000
Liabilities = 1,000
Equity = 4,000
Assets = Liabilities + Equity

6

Consistent

Complete

Imprecise

Assets = 5,000
Liabilities = 5,000
Equity = 4,000
Assets = Liabilities

Accounting Equation

4

Consistent

Incomplete

Precise

{
Assets = 5,000

Liabilities = 1,000

Equity = 4,000

Assets = Liabilities + Equity
}

4'

Consistent

Incomplete

Precise

{
Assets = 5,000

Liabilities = 1,000

Equity = 4,000

Assets = Liabilities + Equity

If Assets exists and if Equity exists; THEN Liabilities = Assets - Equity
}

If you say that the fact "Liabilities" can be omitted if both Assets and Equity are reported; then you must provide a rule to derive the value of Liabilities when it is not reported.

Similar for Assets and Equity.

You loose the **parity check** or cross check if unreported facts are allowed.

7

Consistent

Incomplete

Precise

{
Assets = 5,000

Payables = 1,000

Equity = 4,000

Assets = Liabilities + Equity
}

7'

Consistent

Incomplete

Precise

{
Assets = 5,000

Liabilities = 1,000

Equity = 4,000

Assets = Liabilities + Equity

Payables is a specialization of the more general term **Liabilities**.
}

If a fact is represented using an **extension** concept created by a reporting entity; then a "general-special" or "wider-narrower" association must be created to indicate to software applications of the relationship.

Does a roll up relation serve the same function?

8

Consistent

Incomplete

Precise

$\left\{\begin{array}{l}\end{array}\right.$

Assets = 5,000

Payables = 1,000

Equity = 4,000

Assets = Liabilities + Equity

8′

Consistent

Incomplete

Precise

$\left\{\begin{array}{l}\end{array}\right.$

Assets = 5,000

Liabilities = 1,000

Equity = 4,000

Assets = Liabilities + Equity

Payables is a specialization of the more general term **Liabilities**.

If a fact is represented using a **BASE TAXONOMY FACT** created by a reporting entity; then a "general-special" or "wider-narrower" association must exist in that base taxonomy to indicate that some concept is an alternative for some other concept.

Balance Sheet

9

Consistent

Incomplete

Precise

{
Assets = 5,000

Liabilities = 1,000

Net Assets = 4,000

Assets = Liabilities + Equity
}

Balance Sheet, Liquidation Basis

9'

Consistent

Incomplete

Precise

{
Assets = 5,000

Liabilities = 1,000

Net Assets = 4,000

Net Assets = Assets - Liabilities
}

If a new **structure** is created, the new structure must be referenced to the base taxonomy and the new structure needs to be explained using machine-readable rules.

A base taxonomy should provide all necessary structures separately, not intermingle different models in the same set of associations.