

Case 1 – Entrepreneur Status and Accounting Obligation

Alpenblick OG operates six holiday apartments located in different regions of Austria. The apartments are offered year-round to tourists via online platforms and managed through a central booking system. Two partners coordinate marketing, maintenance, and pricing strategies on a permanent basis. The annual turnover of the OG amounts to approximately EUR 920,000. The partners argue that the activity merely constitutes private asset management and therefore does not qualify as entrepreneurial activity. For this reason, they only keep simple records of income and expenses. The company is not entered in the commercial register. No double-entry bookkeeping has been implemented. Creditors have recently requested financial statements. The partners question whether they are legally obliged to prepare annual financial statements under the UGB.

Tasks:

Assess whether Alpenblick OG qualifies as an entrepreneur under § 1 UGB. Examine whether an obligation to keep accounts under §§ 189 ff UGB exists. Discuss the legal relevance of the organisational structure and the number of rental units. Consider whether registration in the commercial register would affect the legal assessment.

Case 2 – Capital Company and Size Classification

TechNova GmbH was incorporated in Vienna in 2023 and develops software solutions for industrial clients. In the financial year 2024, the company reports a balance sheet total of EUR 6.2 million, net turnover of EUR 13.1 million, and an average of 55 employees. The company has grown rapidly due to several long-term contracts. Management intends to benefit from accounting simplifications available to smaller companies. At the same time, external investors demand transparent financial reporting. The managing directors are uncertain which accounting rules apply. They are unsure whether the company qualifies as a small or medium-sized corporation. Furthermore, they do not know whether a statutory audit is required. Legal advice is therefore sought.

Tasks:

Classify TechNova GmbH under §§ 221 ff UGB. Identify the accounting obligations resulting from this classification. Assess whether the annual financial statements must be audited. Explain the relevance of threshold values being exceeded in consecutive financial years.

Case 3 – Principle of Authoritativeness

Bergstahl GmbH is a manufacturing company specialising in steel components. Due to market volatility, the value of its inventory has fluctuated significantly. In its commercial balance sheet prepared under UGB rules, the company applies a conservative valuation approach. For tax purposes, however, a higher valuation of inventory would lead to a more favourable tax position in the current year. Management therefore considers preparing two separate balance sheets. The financial director argues that tax law should prevail over commercial accounting. Another director insists on strict adherence to UGB principles. The

issue has created uncertainty within the management board. External auditors have raised concerns regarding consistency. A legal clarification is requested.

Tasks:

Explain the principle of authoritativeness between commercial and tax accounting. Assess whether deviations between UGB and tax balance sheets are permissible. Discuss the interaction between UGB accounting and § 5 EStG. Identify situations in which an “Einheitsbilanz” may cause legal problems.

Case 4 – Preparation of Annual Financial Statements

UrbanFood GmbH operates several organic food stores across Austria. The financial year ended on 31 December 2024. Due to internal restructuring and staff shortages, the annual financial statements were not prepared within the statutory period. The managing directors blame an external accounting firm for the delay. They argue that all relevant documents had been provided on time. Creditors have begun to inquire about the company’s financial position. The supervisory board expresses concern about compliance with legal obligations. No formal extension of deadlines has been granted. The delay has now exceeded six months. Legal advice is sought regarding responsibility and consequences.

Tasks:

Identify who bears legal responsibility for preparing the annual financial statements. Explain the applicable statutory deadlines. Assess whether responsibility can be shifted to external service providers. Outline potential legal consequences of delayed preparation.

Case 5 – Statutory Audit and Independence

GreenEnergy AG operates renewable energy facilities and qualifies as a medium-sized corporation. The company is subject to a statutory audit. The supervisory board appoints an auditor who has provided tax advisory services to the company for several years. Management values the auditor’s familiarity with the company’s business. Minority shareholders express concerns about the auditor’s independence. They argue that the audit may lack objectivity. The supervisory board is unsure whether the appointment complies with legal requirements. The auditor claims that tax advisory services do not affect independence. The issue is brought before legal counsel. A clear assessment is requested.

Tasks:

Examine whether GreenEnergy AG is subject to a statutory audit. Assess whether the auditor’s independence is compromised. Explain the supervisory board’s role in appointing the auditor. Discuss possible legal consequences of an unlawful appointment.

Case 6 – Adoption of Financial Statements and Profit Allocation

LogiTrans GmbH is a logistics company with several shareholders. At the end of the financial year, the managing directors prepared draft financial statements. Before the formal adoption of these statements, the shareholders' meeting resolved to distribute profits. The resolution was passed unanimously. Shortly afterwards, discrepancies in the financial statements were discovered. Creditors question the legality of the profit distribution. Management argues that shareholder approval legitimises the distribution. No subsequent resolution has yet been adopted. The company's liquidity has been affected by the payout. Legal clarification is required.

Tasks:

Describe the legal procedure for adopting annual financial statements in a GmbH. Identify the body competent to decide on profit allocation. Assess the validity of the shareholders' resolution. Discuss potential legal consequences of an unlawful distribution.

Case 7 – Signature of Annual Financial Statements

MedCare GmbH provides medical services and is managed by two managing directors. When the annual financial statements were finalised, one managing director refused to sign them. The refusal is based on disagreement over the valuation of receivables. The other managing director argues that one signature is sufficient. The financial statements have already been submitted to the supervisory board. Time pressure arises due to approaching disclosure deadlines. External advisors warn of potential compliance issues. The dissenting director fears personal liability. The company seeks legal guidance on how to proceed.

Tasks:

Identify who is legally required to sign the annual financial statements. Explain the legal significance of the signature. Assess whether the statements are valid without one signature. Discuss the legal options available to the dissenting managing director.

Case 8 – Disclosure Obligations

DesignStudio GmbH is a small design agency organised as a GmbH. The company employs twelve people and generates modest profits. Management believes that disclosure obligations only apply to large corporations. Consequently, no documents have been submitted to the commercial register. A potential investor requests access to the financial statements. The managing directors are unsure whether they are obliged to disclose anything. They fear unnecessary administrative costs. The statutory deadlines for disclosure have already passed. No penalties have yet been imposed. Legal advice is sought.

Tasks:

Examine whether DesignStudio GmbH is subject to disclosure obligations. Identify which documents must be disclosed. Explain which simplifications apply to small GmbHs. Discuss the purpose of disclosure under Austrian accounting law.

Case 9 – Principles of Proper Accounting

ClassicCars GmbH trades in vintage vehicles and relies heavily on bank financing. In order to improve its balance sheet ratios, the company deliberately overvalues several vehicles. Management argues that market prices are difficult to determine. The inflated values significantly improve the equity ratio. Banks rely on the published financial statements when granting loans. An internal whistleblower raises concerns about accounting practices. External auditors detect irregularities during the audit. Creditors fear misleading financial information. Legal consequences are now being considered.

Tasks:

Identify which principles of proper accounting have been violated. Explain the relevance of the prudence principle and the lower-of-cost-or-market rule. Discuss the creditor protection function of GoB. Outline possible civil and criminal law consequences.

Case 10 – Accounting Offences and Criminal Law

BauPlus GmbH is a construction company experiencing financial difficulties. In order to secure additional bank financing, the managing director intentionally submits falsified annual financial statements. Assets are overstated and liabilities concealed. The bank grants a loan based on these statements. Shortly thereafter, the company becomes insolvent. Creditors suffer significant losses. Authorities initiate criminal investigations. The managing director claims business necessity. Legal responsibility is disputed.

Tasks:

Identify relevant criminal accounting offences. Distinguish between intentional conduct and gross negligence. Explain the connection between accounting law and creditor protection. Assess the role of annual financial statements in establishing criminal liability.

Case 11 – Commencement of Accounting Obligations

NordicTrade e.U. is a sole proprietorship engaged in the wholesale of sports equipment. During its first two years, turnover remained below EUR 500,000. In the third year, several large contracts were concluded, increasing turnover to EUR 820,000. The owner continued to keep only simple income and expense records. He argues that the increase in turnover was exceptional and temporary. No balance sheet has ever been prepared. Creditors begin requesting more detailed financial information. The owner is unsure from which point the accounting obligation applies. He fears retroactive duties. Legal advice is sought regarding the commencement of bookkeeping obligations. The distinction between tax law and company law is unclear to him.

Tasks:

Examine when the obligation to keep accounts under §§ 189 ff UGB arises. Assess whether the obligation applies retroactively. Discuss the relevance of exceeding turnover thresholds. Explain the distinction between commercial and tax accounting obligations.

Case 12 – Change of Legal Form and Accounting Duties

MountainBrew OG operates a small brewery and decides to convert into MountainBrew GmbH. The conversion takes place during the financial year. Prior to the conversion, the OG kept simplified accounts. After the conversion, the managing directors are unsure whether a new accounting system must be introduced immediately. They argue that continuity should apply. The financial year is not changed. Creditors request a full annual financial statement. The managing directors delay implementation of double-entry bookkeeping. Uncertainty exists regarding transitional obligations. The company seeks legal clarification. The question of liability is also raised.

Tasks:

Assess the accounting obligations resulting from the change of legal form. Examine whether new bookkeeping duties apply immediately. Discuss continuity principles under UGB. Identify potential liability risks for management.

Case 13 – Structure and Components of the Annual Financial Statements

SolarBuild GmbH prepares its annual financial statements for the first time. The managing director includes only a balance sheet and profit and loss statement. No notes are prepared. Management argues that the financial situation is simple and transparent. The company qualifies as a medium-sized corporation. Investors request further explanations regarding valuation methods. The managing director claims that notes are optional. The supervisory board raises concerns. External advisors warn of formal deficiencies. The company wants to avoid unnecessary work. Legal clarification is requested.

Tasks:

Identify the mandatory components of annual financial statements under UGB. Assess whether notes are required. Discuss the function of the notes. Explain the consequences of incomplete financial statements.

Case 14 – Valuation of Fixed Assets

AquaTech GmbH purchases specialised machinery for EUR 1.5 million. Due to technological progress, the machinery loses market relevance after two years. Management decides not to recognise any depreciation, arguing that the machinery is still operational. The omission significantly improves the annual result. Auditors raise objections. Management argues that depreciation is discretionary. Creditors rely on the published financial statements. The dispute escalates internally. The managing director fears personal liability. Legal advice is sought on valuation rules. The principles of prudence and clarity are debated.

Tasks:

Examine the valuation rules for fixed assets under UGB. Discuss depreciation obligations.

Explain the relevance of prudence and true and fair view. Assess possible legal consequences of incorrect valuation.

Case 15 – Provisions and Uncertain Liabilities

CityConstruct GmbH is involved in a lawsuit concerning defective construction work. Legal counsel estimates a high probability of liability. Management decides not to recognise a provision, arguing that no final judgment has been issued. The omission improves the balance sheet. Auditors object to this approach. Management fears negative market perception. Creditors are unaware of the pending litigation. The managing director believes provisions are optional. Internal disagreements arise. The annual financial statements are close to completion. Legal clarification is requested.

Tasks:

Examine the requirements for recognising provisions under UGB. Assess whether a provision must be recognised. Discuss the purpose of provisions. Explain the creditor protection function of proper provisioning.

Case 16 – Consistency and Comparability

MediaPlus GmbH changes its valuation methods for inventories from one financial year to the next. Management argues that the new method better reflects market conditions. No explanation is provided in the financial statements. The change leads to a higher profit. Auditors question the lack of disclosure. Investors complain about reduced comparability. Management claims full discretion in valuation choices. The supervisory board is uncertain how to proceed. Creditors rely on year-to-year comparisons. Legal risks are discussed internally. Advice on accounting principles is sought.

Tasks:

Explain the principle of consistency under UGB. Assess whether changes in valuation methods are permissible. Discuss disclosure obligations in case of changes. Identify legal consequences of violating comparability.

Case 17 – Management Responsibility and Liability

FitLife GmbH prepares its annual financial statements with the help of an external accounting firm. Several material errors remain undiscovered. The managing director signs the statements without review. Creditors later suffer losses due to misleading information. The managing director argues reliance on professionals. The accounting firm denies responsibility. Internal controls were weak. Supervisory bodies raise concerns. Legal proceedings are initiated. The question of liability allocation arises. Management seeks legal defence.

Tasks:

Examine management responsibility for accounting accuracy. Assess whether reliance on external experts limits liability. Discuss duties of care under UGB. Identify potential civil law consequences.

Case 18 – Late Disclosure and Legal Consequences

ArtVision GmbH fails to disclose its annual financial statements within the statutory deadline. Management argues administrative overload. No extension was requested. The delay lasts several months. Authorities initiate proceedings. The managing director believes sanctions only apply to large companies. Creditors complain about lack of transparency. The company fears reputational damage. Internal compliance structures are reviewed. Legal advice is sought. Management questions proportionality of penalties.

Tasks:

Examine the disclosure deadlines under UGB. Assess legal consequences of late disclosure. Discuss whether company size affects sanctions. Explain the function of disclosure enforcement.

Case 19 – Substance Over Form

EcoLogistics GmbH structures several transactions to avoid recognising liabilities on the balance sheet. Legally, the obligations are held by a related entity. Economically, EcoLogistics bears the risks. Management argues formal legality. Auditors insist on economic substance. The balance sheet appears significantly improved. Creditors rely on published figures. Internal legal counsel raises concerns. The managing director insists on aggressive structuring. Legal uncertainty persists. Clarification under accounting principles is requested.

Tasks:

Explain the principle of substance over form under UGB. Assess whether the liabilities must be recognised. Discuss the relevance for creditor protection. Identify possible legal consequences.

Case 20 – Overview of Criminal Liability in Accounting

BuildSmart GmbH manipulates revenue recognition to present steady growth. The managing director is aware of the misstatements. Investors rely on the published financial statements. The company later collapses financially. Authorities investigate possible accounting offences. The managing director argues business pressure. Employees testify against management. Creditors suffer losses. Criminal proceedings are initiated. The role of intent is disputed. Legal responsibility must be assessed.

Tasks:

Identify relevant criminal offences related to accounting law. Distinguish intent from gross negligence. Explain the evidentiary role of annual financial statements. Discuss the link between accounting violations and criminal liability.

Case 21 – Qualification as Entrepreneur

RiverSide Rentals OG owns eight apartments which are rented out on a short-term basis to tourists. The partners employ two staff members for cleaning and administration. Pricing and marketing are centrally organised through a professional booking platform. The activity is conducted continuously throughout the year. Annual turnover exceeds EUR 1 million. The partners argue that renting property does not constitute entrepreneurial activity. They therefore reject the obligation to prepare annual financial statements. Creditors demand structured financial information. No entry exists in the commercial register. The legal qualification of the activity is disputed.

Which statement is correct?

- A) The activity qualifies as mere asset management and does not constitute entrepreneurship under § 1 UGB.
 - B) The organised and continuous rental activity qualifies as entrepreneurial activity under § 1 UGB.
 - C) Entrepreneurial status requires registration in the commercial register.
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Case 22 – Thresholds and Accounting Obligation

PeakSports e.U. exceeded a turnover of EUR 800,000 in the current financial year for the first time. In the previous year, turnover amounted to EUR 450,000. The owner assumes that accounting obligations only arise after exceeding thresholds for several years. He continues to keep simplified records. No balance sheet is prepared. Creditors request detailed financial statements. The owner fears retroactive obligations. The distinction between tax and commercial law remains unclear. Legal advice is sought.

Which statement is correct?

- A) The accounting obligation arises immediately upon exceeding the threshold once.
 - B) The accounting obligation arises only after exceeding the threshold in two consecutive years.
 - C) The accounting obligation depends solely on the legal form of the business.
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Case 23 – Components of Annual Financial Statements

BrightFuture GmbH prepares its annual financial statements consisting only of a balance sheet and an income statement. The company qualifies as a medium-sized corporation.

Management argues that additional components are unnecessary due to business simplicity. Investors request explanations of valuation methods. No notes are prepared. The managing director insists that notes are optional. The supervisory board disagrees. Auditors raise formal objections. Legal clarification is required. The completeness of the statements is disputed.

Which statement is correct?

- A) Notes are mandatory only for large corporations.
 - B) Notes are mandatory for medium-sized corporations under UGB.
 - C) Notes are never a mandatory component of annual financial statements.
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Case 24 – Valuation and Prudence

SteelWorks GmbH owns machinery that has significantly lost market value. Management decides not to depreciate the assets, arguing that they are still usable. The decision improves the annual result. Auditors object to the valuation. Creditors rely on the balance sheet figures. Management claims full discretion in valuation matters. The principle of prudence is discussed internally. The managing director fears liability. Legal advice is requested.

Which statement is correct?

- A) Depreciation is optional as long as assets remain operational.
 - B) Depreciation is required if a permanent impairment exists.
 - C) Depreciation is prohibited if it negatively affects the annual result.
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Case 25 – Provisions for Pending Litigation

UrbanBuild GmbH is involved in a lawsuit with a high probability of losing the case. No final court decision has been issued. Management decides not to recognise a provision. The omission significantly improves the balance sheet. Auditors object. Creditors are unaware of the legal risk. Management argues that provisions require legal certainty. Internal disputes arise. The annual financial statements are about to be finalised. Legal clarification is required.

Which statement is correct?

- A) Provisions may only be recognised after a final court judgment.
 - B) Provisions must be recognised if a liability is probable and estimable.
 - C) Provisions are entirely discretionary under UGB.
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Case 26 – Consistency of Accounting Methods

MediaFlow GmbH changes its inventory valuation method without disclosure. The change results in a higher profit. Management argues improved market relevance. Auditors criticise the lack of disclosure. Investors complain about reduced comparability. Creditors rely on year-to-year consistency. The supervisory board raises concerns. Management insists on discretion. Legal advice is sought. The principle of consistency is examined.

Which statement is correct?

- A) Valuation methods may be changed freely without disclosure.
 - B) Changes in valuation methods require disclosure to maintain comparability.
 - C) The principle of consistency prohibits any change in valuation methods.
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Case 27 – Responsibility for Accounting Accuracy

FitPro GmbH delegates accounting tasks to an external accounting firm. The managing director signs the financial statements without review. Material errors remain undiscovered. Creditors suffer losses. The managing director argues reliance on professionals. Legal proceedings are initiated. The allocation of responsibility is disputed. Internal controls were weak. The duty of care is examined.

Which statement is correct?

- A) Responsibility for accounting accuracy lies exclusively with the external accountant.
 - B) The managing director remains responsible despite outsourcing.
 - C) Signing financial statements has no legal significance.
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Case 28 – Disclosure Obligations of Small GmbHs

DesignLab GmbH qualifies as a small corporation. Management believes disclosure obligations do not apply. No documents are submitted to the commercial register. Deadlines expire. Authorities initiate proceedings. The managing director argues proportionality. Creditors complain about lack of transparency. The purpose of disclosure is discussed. Legal advice is sought. Sanctions are feared.

Which statement is correct?

- A) Small GmbHs are fully exempt from disclosure obligations.
 - B) Small GmbHs are subject to disclosure obligations with certain simplifications.
 - C) Disclosure obligations apply only to listed companies.
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Case 29 – Substance Over Form

LogiTech GmbH structures transactions so that liabilities are formally held by a related entity. Economically, LogiTech bears the risks. Management relies on formal legality. Auditors argue economic substance. The balance sheet improves significantly. Creditors rely on published figures. Internal legal counsel raises concerns. The principle of substance over form is discussed. Legal clarification is required.

Which statement is correct?

- A) Only legal form is relevant for balance sheet recognition.
 - B) Economic substance must be considered under UGB accounting principles.
 - C) Substance over form applies only in tax law.
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Case 30 – Criminal Liability and Accounting

BuildCore GmbH intentionally overstates revenues to secure financing. The managing director is aware of the misstatements. Financial statements are published. Investors and creditors rely on them. The company later collapses. Authorities initiate criminal investigations. The managing director argues business pressure. The role of intent is assessed. The evidentiary function of financial statements is examined.

Which statement is correct?

- A) Incorrect financial statements are irrelevant for criminal liability.
- B) Intentional falsification of financial statements may constitute a criminal offence.
- C) Criminal liability arises only after insolvency proceedings are opened.

Case 31 – Commencement of Accounting After Legal Form Choice

LakeView Consulting GmbH is founded as a one-person limited liability company. In its first year of operation, turnover amounts to EUR 300,000. The managing director assumes that accounting obligations depend mainly on turnover thresholds. He therefore keeps simplified records only. No balance sheet is prepared. The company is entered in the commercial register. Creditors request annual financial statements. The managing director argues that small turnover excludes full accounting obligations. The distinction between entrepreneurs and capital companies is unclear to him. Legal advice is requested. The applicability of UGB rules is disputed.

Which statement is correct?

- A) A GmbH is subject to full accounting obligations regardless of turnover.
 - B) Accounting obligations for a GmbH arise only after exceeding turnover thresholds.
 - C) A GmbH may freely choose between simplified and full accounting.
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Case 32 – Balance Sheet Truth and Clarity

UrbanTech GmbH prepares its annual financial statements under time pressure. Several items are aggregated in a way that makes individual positions unclear. Management argues that aggregation simplifies understanding. Auditors criticise the lack of transparency. Creditors complain about insufficient clarity. The managing director insists that the total figures are correct. The principle of clarity is discussed internally. External advisors raise concerns. Legal consequences are considered. The role of balance sheet truth is examined. Management seeks legal clarification.

Which statement is correct?

- A) Aggregation is always permitted as long as totals are correct.
 - B) The principles of truth and clarity require transparent presentation of items.
 - C) Clarity requirements apply only to listed companies.
-

Case 33 – Materiality and Completeness

NanoHealth GmbH omits several minor liabilities from its balance sheet. Management argues that the amounts are immaterial. Taken together, however, the omitted items significantly affect the overall financial position. Auditors object to the omission. The managing director insists on discretion. Creditors rely on the published balance sheet. The principle of completeness is debated. Internal compliance reviews are initiated. Legal uncertainty arises. Management fears liability. Clarification under accounting law is sought.

Which statement is correct?

- A) Immaterial items may always be omitted regardless of cumulative effect.
 - B) Completeness requires recognition if omissions distort the overall picture.
 - C) Completeness applies only to large corporations.
-

Case 34 – Going Concern Assumption

AutoParts GmbH is experiencing severe financial difficulties. Several major customers have cancelled contracts. Liquidity is strained. Despite this, management prepares the annual financial statements under the going concern assumption. No disclosures regarding financial distress are made. Auditors question this approach. Creditors rely on the balance sheet. Management argues optimism regarding future recovery. The principle of going concern is discussed internally. Legal advice is sought. The risk of misleading reporting is examined.

Which statement is correct?

- A) The going concern assumption must always be applied.
 - B) The going concern assumption may be abandoned if continuation is unlikely.
 - C) Going concern is irrelevant under UGB.
-

Case 35 – Valuation of Receivables

RetailStar GmbH has a large number of overdue receivables. Several customers are insolvent. Management decides not to adjust the value of receivables, arguing that collection efforts are ongoing. The decision improves the annual result. Auditors object. Creditors rely on the balance sheet figures. Management claims discretion. The prudence principle is discussed. Internal disagreements arise. Legal advice is sought regarding valuation rules.

Which statement is correct?

- A) Receivables must be written down if recoverability is doubtful.
 - B) Receivables may always be shown at nominal value.
 - C) Write-downs are prohibited before insolvency proceedings are opened.
-

Case 36 – Signature and Responsibility

HealthCare Solutions GmbH prepares its annual financial statements. The managing director signs them without reviewing key figures. Later, significant errors are discovered. Creditors suffer losses. The managing director argues lack of accounting expertise. Internal controls were minimal. External advisors were involved. Legal proceedings are initiated. The legal function of the signature is examined. Responsibility is disputed. Management seeks legal defence.

Which statement is correct?

- A) The signature merely confirms formal completion.
 - B) The signature confirms responsibility for the content of the statements.
 - C) Only accountants bear responsibility for errors.
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Case 37 – Disclosure Scope and Creditor Protection

SmartDesign GmbH discloses only part of its annual financial statements. Management argues that full disclosure would reveal business secrets. Deadlines are met formally. Creditors complain about missing information. Authorities review the disclosure. The purpose of disclosure is discussed internally. Management fears sanctions. Legal advice is sought. The balance between transparency and secrecy is examined. Compliance with UGB rules is disputed.

Which statement is correct?

- A) Companies may omit disclosures to protect business secrets.
 - B) Disclosure obligations serve creditor protection and must be fulfilled as prescribed.
 - C) Disclosure is voluntary for non-listed companies.
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Case 38 – Consistency and Change of Accounting Period

BlueWave GmbH changes its financial year from the calendar year to a shortened accounting period. Comparative figures are not adjusted or explained. Management argues administrative convenience. Auditors object. Investors complain about lack of comparability. Creditors rely on trend analysis. The principle of consistency is discussed. Internal compliance reviews are initiated. Legal clarification is requested. The validity of the financial statements is questioned.

Which statement is correct?

- A) Changes in accounting periods require proper disclosure and explanation.
 - B) Accounting periods may be changed without any formal requirements.
 - C) Consistency applies only to valuation methods, not reporting periods.
-

Case 39 – False Presentation and Liability Risk

GreenBuild GmbH presents an overly positive financial position by selectively recognising profits while deferring losses. Management argues strategic presentation. Auditors object to biased reporting. Creditors rely on the balance sheet. Internal whistleblowers raise concerns. The principle of neutrality is discussed. Legal risks are assessed. Management fears civil liability. The role of proper accounting is examined. Legal advice is sought.

Which statement is correct?

- A) Strategic presentation is permitted under UGB.
 - B) Neutrality requires unbiased and objective financial reporting.
 - C) Neutrality applies only to tax accounting.
-

Case 40 – Accounting Violations and Criminal Relevance

SteelForm GmbH manipulates inventory values to conceal losses. The managing director is aware of the manipulation. Financial statements are published. Banks rely on the figures. The company later collapses. Authorities initiate criminal investigations. Management argues market pressure. The distinction between error and intent is assessed. The evidentiary role of accounting records is examined. Criminal responsibility is disputed.

Which statement is correct?

- A) Accounting manipulations are relevant only under civil law.
- B) Intentional accounting manipulation may have criminal consequences.
- C) Criminal liability depends solely on the amount of damage caused.

Case 41 – Entrepreneurial Activity vs Private Asset Management

SunPeak Living OG owns five apartment buildings with a total of twenty rental units. The apartments are marketed professionally through international booking platforms. A permanent organisational structure exists, including employees and external service providers. The activity is conducted continuously throughout the year. The partners actively manage pricing, renovations, and customer relations. Annual turnover exceeds EUR 1.3 million. The partners claim the activity is still private asset management. They therefore reject classification as entrepreneurs. Creditors request annual financial statements. Legal uncertainty arises regarding the qualification under UGB.

Which statement is correct?

- A) The organised and continuous rental activity qualifies as entrepreneurial activity under § 1 UGB.
- B) Renting property can never qualify as entrepreneurial activity.

Case 42 – Accounting Obligation of Capital Companies

StartUpLab GmbH is founded with a share capital of EUR 10,000. In its first financial year, turnover amounts to only EUR 120,000. The managing director assumes that low turnover exempts the company from accounting obligations. Only simplified records are kept. No balance sheet is prepared. The company is properly registered in the commercial register. A potential investor requests annual financial statements. The managing director refuses, citing small size. The legal relevance of the legal form is disputed. Advice under UGB is sought.

Which statement is correct?

- A) A GmbH is subject to accounting obligations regardless of turnover.
- B) Accounting obligations depend solely on turnover thresholds.

Case 43 – Completeness of the Balance Sheet

EcoFurniture GmbH omits several liabilities from its balance sheet. Each liability is individually small. Together, however, they significantly affect the company's financial position. Management argues that immaterial items may be ignored. Auditors object to the omission. Creditors rely on the balance sheet when granting loans. The principle of

completeness is discussed internally. Management fears liability. The supervisory board demands clarification. Legal advice is requested regarding proper accounting. Compliance with UGB rules is questioned.

Which statement is correct?

- A) Completeness requires recognition if omission distorts the overall financial picture.
 - B) Small liabilities may always be omitted regardless of cumulative effect.
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Case 44 – Going Concern and Disclosure

BuildRight GmbH is facing severe liquidity problems. Several loan agreements are close to termination. Despite this, management prepares the annual financial statements under the going concern assumption. No disclosure of financial distress is made. Auditors express serious doubts. Creditors rely on the published figures. Management argues optimism regarding future contracts. The risk of misleading reporting is discussed. Legal advice is sought on proper accounting treatment. The applicability of the going concern principle is questioned.

Which statement is correct?

- A) The going concern assumption must be abandoned if continuation is seriously doubtful.
 - B) The going concern assumption must always be applied regardless of circumstances.
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Case 45 – Valuation of Receivables

MarketPlus GmbH has numerous overdue receivables from customers in financial difficulty. Several insolvency proceedings are already pending. Management decides not to adjust the receivables' value. The decision improves the annual result. Auditors object based on prudence considerations. Creditors rely on the balance sheet. Management argues that collection efforts are ongoing. Internal disagreement arises. Legal clarification is requested. The correct valuation approach under UGB is disputed.

Which statement is correct?

- A) Receivables must be written down if recoverability is doubtful.
 - B) Receivables must always be shown at nominal value until final loss occurs.
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Case 46 – Signature of Financial Statements

HealthLine GmbH prepares its annual financial statements. The managing director signs them without reviewing key accounting positions. Later, material errors are discovered. Creditors

suffer losses. The managing director argues lack of accounting knowledge. External accountants were involved in preparation. Internal controls were weak. Legal proceedings are initiated. The legal meaning of the signature is examined. Responsibility for errors is disputed.

Which statement is correct?

- A) The signature confirms responsibility for the content of the financial statements.
 - B) The signature has only symbolic significance.
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Case 47 – Disclosure Obligation of Small Corporations

ArtStudio GmbH qualifies as a small corporation. Management assumes disclosure obligations do not apply. No documents are submitted to the commercial register. Statutory deadlines expire. Authorities initiate enforcement proceedings. Creditors complain about lack of transparency. Management argues proportionality. Legal advice is sought regarding disclosure duties. The purpose of disclosure under UGB is discussed.

Which statement is correct?

- A) Small GmbHs are subject to disclosure obligations with statutory simplifications.
 - B) Small GmbHs are completely exempt from disclosure obligations.
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Case 48 – Consistency of Valuation Methods

TechParts GmbH changes its inventory valuation method from one year to the next. The change results in a higher profit. No explanation is provided in the notes. Auditors object to the lack of disclosure. Investors complain about reduced comparability. Creditors rely on year-to-year figures. Management claims discretion. The principle of consistency is discussed internally. Legal clarification is requested regarding accounting principles.

Which statement is correct?

- A) Changes in valuation methods require disclosure to maintain comparability.
 - B) Valuation methods may be changed freely without explanation.
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Case 49 – Neutrality of Financial Reporting

GreenFuture GmbH selectively recognises gains while postponing losses. The approach presents a very positive financial picture. Management argues strategic reporting. Auditors object to biased presentation. Creditors rely on the balance sheet. Internal whistleblowers

raise concerns. The principle of neutrality is discussed. Legal risks are assessed. Management fears liability. Compliance with GoB is questioned.

Which statement is correct?

A) Neutrality requires unbiased and objective financial reporting.

B) Selective presentation is permitted under UGB.

Case 50 – Criminal Relevance of Accounting Manipulation

IronWorks GmbH intentionally manipulates inventory values to conceal losses. The managing director is fully aware of the manipulation. Financial statements are published and relied upon by banks. The company later collapses. Authorities initiate criminal investigations. Management argues economic pressure. The distinction between error and intent is examined. The evidentiary role of financial statements is discussed. Criminal liability is disputed.

Which statement is correct?

A) Intentional manipulation of financial statements may have criminal consequences.

B) Accounting manipulation is relevant only under civil law.

Case 51 – The “Excel Is Enough” Theory

HappyCoffee GmbH is run by an enthusiastic founder who loves spreadsheets. All financial data is stored in a colorful Excel file called “FINAL_final_REALLY.xlsx”. The managing director believes Excel automatically creates a balance sheet. No formal accounting system is used. When asked about the annual financial statements, he proudly shows pivot tables. Creditors ask for a proper balance sheet. The managing director argues that Excel is more modern than UGB. He claims the law should adapt to technology. The commercial register requests disclosure documents. Confusion arises. The founder remains optimistic.

Which statement is correct?

A) Excel enthusiasm does not replace statutory accounting obligations under UGB.

B) A well-designed Excel file legally replaces annual financial statements.

Case 52 – The “Too Small to Matter” GmbH

TinySpark GmbH has only three employees and a small office with one coffee machine. Turnover is modest and profits are minimal. The managing director believes the company is “too small to bother the law”. No annual financial statements are prepared. Disclosure is ignored. When authorities send reminders, the managing director laughs and says, “We’re

basically a hobby.” Creditors are less amused. The commercial register disagrees. The managing director feels personally attacked by UGB. Legal reality sets in slowly.

Which statement is correct?

- A) Even very small GmbHs are subject to accounting and disclosure obligations.
 - B) Small size automatically exempts a GmbH from UGB requirements.
-

Case 53 – The “Optimistic Valuation” Approach

DreamCar GmbH owns several old company cars that barely start in the morning. Management values them at original purchase price because “they still look fast”. The high valuation improves the balance sheet dramatically. Auditors raise eyebrows. Management argues that hope is a legitimate accounting method. Creditors rely on the published figures. One car breaks down during the audit visit. The prudence principle enters the discussion. The managing director remains cheerful. Reality disagrees.

Which statement is correct?

- A) Assets must be valued prudently, not optimistically.
 - B) Positive thinking is a recognised valuation principle under UGB.
-

Case 54 – The “Signature Means Nothing” Defence

SignFast GmbH prepares its annual financial statements in a hurry. The managing director signs them without reading a single number. Later, serious errors are discovered. Creditors suffer losses. The managing director claims the signature was “just a formality”. He argues that numbers are the accountant’s problem. Courts become interested. The legal meaning of a signature is suddenly very relevant. The managing director regrets his speed. Accounting law has no sense of humour.

Which statement is correct?

- A) A signature confirms responsibility for the content of the financial statements.
 - B) A signature has no legal meaning if signed quickly.
-

Case 55 – The “Invisible Lawsuit” Strategy

OopsBuild GmbH is involved in a major lawsuit with a high risk of losing. Management decides not to recognise a provision because “thinking about it might make it real”. The balance sheet looks wonderful. Auditors are unimpressed. Creditors remain unaware of the risk. Management claims optimism is good for business. The lawsuit is mentioned only in

coffee breaks. Accounting principles enter the room. The provision question becomes unavoidable. Reality eventually knocks.

Which statement is correct?

- A) Probable liabilities must be recognised through provisions.
 - B) Lawsuits disappear if not mentioned in the balance sheet.
-

Case 56 – The “Going Concern Forever” Belief

StillAlive GmbH has no cash, no customers, and no functioning website. Nevertheless, management prepares financial statements under the going concern assumption. No disclosure of financial distress is made. The managing director believes in miracles. Auditors believe in evidence. Creditors rely on the balance sheet. The principle of going concern is discussed passionately. Optimism meets legal standards. The outcome is predictable. Hope is not a strategy.

Which statement is correct?

- A) The going concern assumption may not be applied if continuation is unrealistic.
 - B) Going concern applies as long as management believes hard enough.
-

Case 57 – The “Disclosure Is Optional” Philosophy

HideAndSeek GmbH forgets to disclose its annual financial statements. Management argues that disclosure is “just a suggestion”. Deadlines pass quietly. Authorities do not. Creditors complain loudly. The managing director claims ignorance of the law. The commercial register remains unimpressed. The purpose of disclosure becomes very clear. Administrative penalties enter the story. Transparency wins.

Which statement is correct?

- A) Disclosure obligations are mandatory under UGB.
 - B) Disclosure depends on whether management feels like it.
-

Case 58 – The “One Big Number” Balance Sheet

Minimalist GmbH prepares a balance sheet with exactly one line: “Stuff: EUR 5,000,000”. Management argues that simplicity is beautiful. Auditors search for details. Creditors search for clarity. The principle of clarity is deeply offended. Management claims artistic freedom. Accounting law disagrees. Transparency is not optional. A redesign is required. Minimalism fails the exam.

Which statement is correct?

- A) Accounting requires clarity and comprehensible presentation.
 - B) One-number balance sheets are encouraged for efficiency.
-

Case 59 – The “Selective Truth” Reporting Style

CherryPick GmbH reports all profits immediately but delays recognising losses. Management calls this “motivational accounting”. The balance sheet looks fantastic. Auditors call it biased. Creditors call their lawyers. The principle of neutrality enters the discussion. Management loses enthusiasm. Accounting law prefers honesty over motivation. Reality restores balance. Selective truth is still untrue.

Which statement is correct?

- A) Financial reporting must be neutral and unbiased.
 - B) Selective reporting is allowed to boost morale.
-

Case 60 – The “It’s Not Criminal, It’s Creative” Argument

CreativeSteel GmbH manipulates inventory values to hide losses. The managing director calls it “creative accounting”. Banks rely on the published statements. The company collapses shortly after. Authorities investigate. The managing director argues that creativity should be rewarded. Criminal law disagrees. Intent becomes very relevant. Accounting suddenly feels very serious. The joke ends here.

Which statement is correct?

- A) Intentional manipulation of financial statements may have criminal consequences.
- B) Creativity is a valid defence in accounting law.

1. **“Accounting law is the art of telling the truth in a way that creditors can sleep at night.”**
2. **“Optimism may build companies, but prudence keeps them out of court.”**
3. **“A balance sheet does not lie — unless someone tells it to.”**
4. **“Good accounting makes profits explainable; bad accounting makes profits suspicious.”**
5. **“The law forgives mistakes, but it rarely forgives creative balance sheets.”**

Introduction

Accounting law forms a central pillar of company law and serves as a key instrument for ensuring transparency, reliability, and trust in economic activity. Through the preparation, verification, adoption, and disclosure of annual financial statements, companies provide structured information about their financial position and performance. These rules are not merely technical in nature but fulfill an essential legal function, particularly in protecting creditors, shareholders, and the public. For jurists, accounting law offers a unique intersection between legal norms and economic reality. The balance sheet is therefore not just a numerical summary but a legally regulated statement with significant legal consequences. Principles such as prudence, clarity, completeness, and consistency guide the preparation of financial statements and limit managerial discretion. Violations of these principles may lead to civil, administrative, and even criminal liability. Understanding accounting law thus enables jurists to assess financial information critically, identify legal risks, and ensure compliance with statutory requirements. In this sense, Rechnungslegung is not about numbers alone, but about responsibility, transparency, and legal certainty.