The Adoption Of IFRS And Value Relevance Of Accounting

This book, dedicated to Prof. Jacques Richard, is about the economic, political, social and even environmental consequences of setting accounting standards, with emphasis on those that are alleged to be precipitated by the adoption and implementation of IFRS. The authors offer their reasoned critiques of the effectiveness of IFRS in promoting genuine global comparability of financial reporting. The editors of this collection have invited authors from 17 countries, so that a great variety of accounting, auditing and regulatory cultures, and educational perspectives, is amply on display in their essays.

Abstract: Since 2005, the disclosure of consolidated financial statements according to IFRS has been mandatory for all listed companies in the European Union. IFRS supporters claim that a single accounting standard would increase the level of disclosure and hence, increase transparency and therefore investor protection. This paper strives to determine if IFRS increases investor protection through improvements in reporting transparency. Therefore, this paper focuses on the ability of IFRS to decrease earnings management, the main driver of investor protection. The theoretical rationale gives an overview of earnings management, revealing its popularity among management. However, irrespective of the motivation, earnings management reduces the transparency for the investor...
and thereby reduces investor protection. The review of empirical evidence reveals that voluntary adoption of IFRS leads to a strong decrease in earnings management and an increase in disclosure quality of financial statements. Indeed, the voluntary adoption is biased because the first-time adopters are convinced that a higher transparency could be used to their own advantage. In contrast, the mandatory adoption is not free of ambiguity, but literature tends to conclude that the forced implementation of IFRS leads neither to a reduction of earnings management nor to a higher level of disclosure. Consequently, a mandatory IFRS adoption does not necessarily increase investor protection.

Seminar paper from the year 2016 in the subject Business economics - Accounting and Taxes, grade: 81%, University of South Wales, language: English, abstract: The report aims to analyse the opportunities, negative impacts and limitations of adopting IFRS for German SMEs. At first, a classification of SMEs in Germany is given and their current situation is demonstrated. The next passage critically analyses the impact of an introduction of IFRS for SMEs in Germany. The analysis includes investigating if the effect varies in different crucial business factors of SMEs as well as their company type. At last, the results are summarised and recommendations are given.

Masterarbeit aus dem Jahr 2007 im Fachbereich BWL - Bank, Börse, Versicherung, , Sprache: Deutsch, Abstract: Listed Dutch firms are required by law to prepare their financial statements in accordance with the International financial Statements (IFRS) since 2005. Before 2005, listed Dutch firms prepared their financial statements using Dutch law, Title 9 of book two of the Dutch Civil Code. It is interesting to investigate the effect of the implementation of IFRS. Is the quality of the financial statements improved by the implementation of IFRS for the users of
the financial statements, such as investors, suppliers and banks? This question can be answered in many ways, looking at different characteristics of the accounting information, for example the comparability, the relevance, the reliability and the understandability. In this thesis the relevance will be studied. Information has the quality of relevance when it influences the economic decisions of users by helping them evaluate past, present or future events or conforming, or correcting, their past evaluations. (IFRS Handbook, 2007, p. 40) In order to be relevant the accounting information must reflect the information needs of the users in valuing a company. In order to determine the market price of a company, investors need accounting information that reflects the share price of a company. The research done studying the relevance of accounting information for valuating companies is called value-relevance research. The implementation of IFRS had consequences for the value-relevance of the accounting information. Whether the value-relevance had improved by the adoption of IFRS is dependent on the differences between the former accounting system and IFRS. The impact on value relevance in the Netherlands has not been studied yet. The impact on value-relevance in other countries has been studied however, for example in the United Kingdom (Harris and Muller, 1999), Germany (Hung and Subramanyam, 2007) and Spain Callao et al. (2007). These studies can give a powerful insight in how the difference in value-relevance of two accounting systems can be studied.

The increasing pace of global conformance towards the adoption of International Financial Reporting Standards (IFRS) highlights the need for accounting students as well as accounting practitioners to be conversant with IFRS. Teaching IFRS offers expert descriptions of, and insights into, the IFRS convergence process from a teaching and learning perspective. Hence
this book is both timely and likely to have considerable impact in providing guidance for those who teach financial reporting around the world. The contents of the book come from authoritative sources and offer something distinctive to complement the existing textbooks which typically focus on the technical aspects of IFRS and their adoption. Drawing upon the experiences of those who have sought to introduce IFRS-related classroom innovations and the associated student outcomes achieved therefrom, the book offers suggestions about how to design and deliver courses dealing with IFRS and catalogues extensive listings of IFRS-related teaching resources to support those courses. This book was originally published as a special issue of Accounting Education: An international journal.

Derivative itself is a complex financial tool; on the other different accounting standards makes it more complex and numerous. Over the last couple of years more than hundred countries switched from national accounting standards to IFRS. This book attempts to throw light upon the impact of IFRS on reporting and disclosure of derivative financial instruments. The book also identifies the determinants which would be influenced by the adoption of IFRS for DFIs in developing countries like India. Hope this book will help the regulators of accounting body, practitioners, researchers and students across the globe.

"This book examines the significance of financial communication in competitive business environments"--

The essential guide to practical IFRS implementation, updated for 2018 International GAAP 2018 is the definitive reference for IFRS application around the world. Written by the expert practitioners at Ernst & Young, this invaluable resource provides both interpretation and practical implementation guidance for anyone applying, auditing, interpreting, regulating,
studying, or teaching IFRS. Specific instruction written from a global perspective provides clarity on complex issues, and coverage of the latest changes ensures that you will apply the most current standards appropriately and effectively. Worked examples provide answers at a glance, and hundreds of illustrations from major companies’ financial reports demonstrate IFRS implementation and bring technical concepts to life. Countries around the world have adopted the International Financial Reporting Standards (IFRS), and in the US, foreign private issuers are allowed to report under IFRS without reconciling to US GAAP. This book provides the essential information practitioners need to correctly understand and apply these standards, using a clear, consistent approach to resolving global financial reporting issues under IFRS in real-world scenarios. Updated and expanded for 2018, this new edition allows you to: Get up to date on the newest amendments and interpretations issued in the past year Examine implementation issues caused by widespread adoption of IFRS 9, IFRS 15, and the upcoming adoption of IFRS 16 in 2019 Understand the new insurance contract standard IFRS 17, which solves the comparison problem of IFRS 4 Gain clarity and insight on practical matters involved with IFRS implementation This three-volume set provides the depth and breadth of coverage necessary, with financial instruments covered separately for greater ease of navigation. As the world’s most comprehensive reference for IFRS implementation, International GAAP 2018 is the resource no practitioner, regulator, student, or researcher should be without. For further information on the various digital versions which are available for this material please visit www.wileyigaap.com
resources, Kazakhstan was the first CIS country to require international financial reporting standards in 2004 for banks, and in 2005 for all public companies. What were the economic consequences of this important reform? In the 1990s, Kazakhstan’s capital market reforms mirrored those of Russia due to the two countries’ cooperating mode driven by a high level of resource interdependence and environmental uncertainty, following the collapse of the Soviet Union. Yet, by 2003, dependence on external donors (the IMF, World Bank) took precedence over interdependence with Russia. As a result, Kazakhstan unilaterally proceeded with adoption of IFRS, while Russia backed up from this initiative. This study reports that Kazakhstan’s inflow of foreign direct investments was the greatest among the CIS nations following the adoption of IFRS. In addition, in 2005–11, Kazakhstani public firms’ reporting quality was higher than that of the Russian public firms operating in a similar environment but exempt from the IFRS reporting requirement. Kazakhstan was the first CIS nation to repay its external debt ahead of schedule and to receive an investment grade from Moody’s rating agency. The book concludes that Western-style capital market reforms—in this emerging market with a not-so-distant communist past—had significantly positive outcomes.

Market Reaction to the Adoption of IFRS in Europe
International Financial Reporting Standards (IFRS) Workbook and Guide is a one stop resource for understanding and applying current International Financial Reporting Standards (IFRS) and offers: Easy-to-understand explanations of all IFRSs/IASs and IFRICs/SICs issued by the IASB/IASC up to March 2006 Illustrative examples Practical insights Worked case studies Multiple-choice questions with solutions Technically reviewed by Liesel Knorr, Secretary General of the German Accounting Standards Committee and former technical director of the International Accounting Standards Committee (IASC). Forewords by: Sir David Tweedie, Chairman of the International Accounting Standards Board (IASB) Philippe Richard, Secretary General of the International Organization of Securities Commissions (IOSCO)
Seminar paper from the year 2019 in the subject Business economics - Investment and Finance, grade: 1,0, Otto Beisheim School of Management Vallendar, language: English, abstract: Starting in 2005, the portion of foreign shareholders in the Dax has risen from 45% to 58% in the last decade. In the same year, the regulation of the European Union from 2002 came into effect which required all listed firms in the European Union to report their consolidated accounts in accordance with the International Financial Reporting Standard (IFRS) from 2005 on instead of each countries’ generally accepted accounting
standards (GAAP). This is just one example where the volume of investments increased concurrently with the adoption of IFRS. Therefore, the question arises if the mandatory adoption of IFRS in the EU in 2005 or in other cases significantly affected and continues to affect investment decisions among adopters or third parties. In order to better account for differences between different types of investors and investees, we differentiate between retail investors, institutional investors and corporate finance activities. Moreover, we focus on the consequence of IFRS adoption on equity investment decisions as most research appears to focus on the equity instead of the credit market. Additionally, Lourenco & Branco point out that most research which finds no significant effects of IFRS adoption on investment decisions appears to focus on voluntary adoption before 2005. Thus, this paper mainly focuses on mandatory IFRS adoption. In this context, research suggests that mandatory IFRS adopters experience significant capital markets benefits as well as enhanced foreign institutional ownership and enhanced M&A activity. Ultimately, we observe four overarching drivers behind the aforementioned observations that impact investment decisions across different types of investors and investees. The introduction of IFRS (International Financial Reporting Standards) in the EU in 2005 was perceived to be a major step towards greater global harmonisation
of accounting leading to better comparability and uniformity of financial statements (Deloitte Touche Tohmatsu, 2005). However, prior literature suggests that there are significant national differences in de facto application of the international standards (Kvaal and Nobes, 2010; Krzywda and Schroeder, 2007). This thesis, supported with empirical data, contributes to knowledge by rejecting the argument commonly put forward by the International Accounting Standards Board (IASB) and other policy setters that the adoption of IFRS will in itself be sufficient to achieve harmonisation of accounting practice. The research uses a case study of Poland to address three main research questions. Firstly, whether the accounting standards as promulgated by IASB (International Accounting Standards Board) have been fully adopted by Polish listed companies? Secondly, the thesis addresses the question that if Polish companies are not compliant with IFRS what are the reasons for the non-compliance? The thesis draws on the sociological perspective of new institutional theory as put forward by Meyer and Rowan (1977) and DiMaggio and Powell (1983) to explain the reasons for the deviation in accounting practice from IFRS in Poland. The response of the Polish companies to the external demands to adopt IFRS has been evaluated using the model developed by Oliver (1991) where responses may vary from full acquiescence to defiance. Thirdly the thesis addresses the question to what
extent is new institutional theory adequate for explaining the motives driving the behaviour of various actors in the field of financial reporting? The study contributes to knowledge by linking institutional theory to organisational behaviour and accounting practice in a transition economy in a novel and previously unexplored way in order to gain a better understanding of the role of accounting in Poland. The study of Poland provides a particularly insightful and novel approach for the study because Poland is a post-communist economy and so its national institutional orientation is significantly different to the Anglo-Saxon origins of IFRS. Poland is also a recent entrant to EU and so the interaction of communist legacy with market orientation allows better understanding of the institutional and economic factors that shape accounting. The thesis maintains that financial reports produced by Polish companies are rationalised 'myths' due to the largely ceremonial adoption of IFRS. Furthermore, the quality of accounting is affected by various competing institutional forces. The thesis makes a contribution to the theory by challenging the narrow perspective of mainstream new institutional theory which focuses on the homogeneity and permanency of existing practices. In contrast this research focuses on the dynamic conflict between the existing structures and new regulatory pressures that lead to the breakdown of old institutional arrangements. In particular the
study addresses two aspects of institutional theory that have been neglected in prior research. Firstly, drawing on Lounsbury (2008) the notion of multiple logics and therefore different concepts of rationality have been mobilised to explain variation in accounting practice. Secondly, the role of power and conflict are used to explain the current institutional arrangements in Poland and the changing role of the accountancy profession (Lawrence, 2008). In adopting the power and multiple logics perspectives, which are not addressed in the earlier seminal works, a better insight has been gained into the heterogeneity of organisations rather than accepting the notions of order and stability. Using institutional perspective it is argued that companies are failing to comply fully with IFRS because they face a multiplicity of expectations arising from different institutional origins. Their strategic response to these pressures is to 'compromise' to satisfy the competing demands of the accounting profession, investors and the tax authorities. The power and resource dependency constructs were also utilised to explain how major firms of accountants attempt to penetrate the existing accounting structures in Poland and so influence the role that accounting plays in Poland. The analysis also highlights the tensions between the various bodies and the impact that has on company reporting. In particular both the state and other stakeholders utilise a common set of financial statements and the extent to which
they meet the objectives of each user group is explained using the power construct. Following call by (Suddaby, 2010) and DiMaggio (1985) for greater research focus on actions at actor level this research considers individual organisational responses to the requirement to introduce IFRS into Polish accounting framework. The thesis finds that that Polish companies will change their established practices in response to the external influences and their actions are rationally determined based on different logics and the relative influence of coercive forces which either promote or hinder change. The research has found that in Poland coercive pressure was the primary mechanism for achieving isomorphism whilst prior literature indicates that in market economies mimetic mechanism was far more important. This coercive mechanism was particularly potent due to the strong influence of the state which was a legacy of the communist system leading to weak accountancy profession. In contrast, increasing influence of the global accountancy firms and EU regulation are forcing the changes to the accounting regulation, governance structures and education of accountants in Poland. The research finds that in spite of the fact that all companies examined purport to comply with IFRS there are significant deviations in de facto compliance. The findings provide strong evidence of decoupling through superficial compliance. Organisations are not however
decoupling in a uniform manner but appear to selectively decide on areas where they comply or not. In particular lack of compliance with disclosure requirements appear to be related to cultural characteristics of secrecy and power distance which were prevalent in the communist era. Research confirms that companies compromise by making explicit statement of compliance with IFRS whilst in many cases failing to meet the spirit of IFRS in failing to fully provide useful information for the stakeholders. Even where there is compliance the introduction of IFRS has not improved uniformity due to the use of alternative treatments permissible under IFRS. The research utilises a mixed methodology to gain a deeper understanding of the complexity of the factors implicated in shaping of accounting. In order to identify the level of compliance with IFRS published financial data for 2005 for 40 Polish companies that are listed on the Warsaw Stock Exchange is analysed and then explained with in-depth interviews held with representatives of the institutions implicated in the study. The differences between Polish accounting regulation and IFRS were measured using comparability index first proposed by Gray (1980).

International Financial Reporting Standards (IFRS) are internationally-recognized financial reporting guidelines regulated by the International Accounting Standards Board (IASB) to ensure that uniformity exists in the global financial system. In
addition to regulating financial reporting, the adoption of IRFS has been shown to impact the flow of foreign capital and trade. Economics and Political Implications of International Financial Reporting Standards focuses on the consequences and determinants of the adoption of the International Financial Reporting Standard (IFRS), which has remained a top issue in International Accounting. This timely publication brings to the forefront issues related to the political and economic influences and impacts of IFRS in addition to providing a platform for further research in this area. Policy makers, academics, researchers, graduate-level students, and professionals across the fields of management, economics, finance, international relations, and political science will find this publication pertinent to furthering their understanding of financial reporting at the global level. This study examines issues relating to the mandatory adoption of International Financial Reporting Standards (IFRS) by Greek listed companies. Initially, the impact of transition, as a result of differences between IFRS and Greek GAAP, on the first IFRS financial statements in 2005 is assessed. Then, a disclosure index is constructed, containing all the disclosure items mandated by the IFRS extant at the end of April 2006. Based on this research instrument, and two disclosure index methods, compliance with IFRS mandatory disclosures in their first year of implementation is examined. A review of disclosure theories, the
features of the Greek financial reporting system, and considerations regarding the timing of the research are used as a basis for establishing a priori expectations and testing the potential factors explaining compliance with IFRS mandatory disclosures. Subsequently, any change in the value relevance of accounting information before and immediately after IFRS mandatory implementation is examined. Whether the reconciliation statements required by IFRS 1 provided value relevant information to investors is also explored. Finally, the valuation implications of IFRS mandatory disclosures are explored. The above analyses indicate the following. Greek listed companies' financial statements were affected significantly by the adoption of IFRS. The average level of compliance with IFRS mandatory disclosures approximates to 80%. The impact on net income and shareholders' equity, as a result of the transition to IFRS, as well as audit firm size, are significantly associated with the extent to which companies comply. No change in the value relevance of accounting information between 2004 and 2005 is identified. Reconciliation adjustments are incrementally value relevant and levels of mandatory disclosures do have valuation effects. Based on the findings of the above analyses, the study contributes to the relevant literature and discusses policy implications. It also concludes with suggestions for further research and recommendations on the
methods for measuring compliance with IFRS mandatory disclosures. 
Studienarbeit aus dem Jahr 2005 im Fachbereich BWL - Rechnungswesen, 
Bilanzierung, Steuern, Note: 1,7, Universität Bielefeld, Veranstaltung: Seminar 
zur Konzernrechnungslegung, 16 Quellen im Literaturverzeichnis, Sprache: 
Deutsch, Anmerkungen: Das Seminar wurde von der 
das International Accounting Standards Board (IASB) den International Financial 
Reporting Standard 1 (IFRS 1): First time Adoption of International Financial 
Reporting Standards veröffentlicht. Dieser Standard hat das Ziel Unternehmen 
mit ihren jeweiligen nationalen Rechnungslegungsvorschriften die erstmalige 
Anwendung sowie den Einstieg in die internationale IFRS - Rechnungslegung zu 
erleichtern und gleichzeitig den Bilanzadressaten qualitativ hochwertige 
Informationen bereitzustellen. Aufgrund der Verordnung der Europäischen Union 
sind alle kapitalmarktorientierten Unternehmen ab dem 01.01.2005 verpflichtet 
Ihre Konzernabschlüsse nach der IFRS - Rechnungslegung zu erstellen. Bisher 
war die Regelung, um einen erstmaligen Konzernabschluss nach den 
International Accounting Standards (IAS) zu erstellen, in den Standing 
Interpretations Committee kurz SIC-8 enthalten. Einige Regelungen des SIC-8 
sind im IFRS 1 übernommen worden, wie z.B. der Grundsatz der retrospektiven

Accounting has often been described as the language of business. As the increasing competition of overseas markets begins to affect even the smallest local companies, many more business professionals must become fluent in accounting principles and practice. Standardization of Financial Reporting and Accounting in Latin American Countries highlights the recent move to International Financial Reporting Standards (IFRS) and addresses some of the concerns raised due to cultural differences and the level of enforcement of these standards in separate countries. Describing the evolution of both financial and managerial accounting due to the adoption of IFRS, this book is an essential reference source for both students and seasoned professionals in the fields of accounting, finance, and related management fields, especially those with an
international emphasis.

If the differences in accounting standards across countries reflect relatively stable institutional differences (e.g., auditing technology, the rule of law, etc.), why did several countries rapidly, albeit in a staggered manner, adopt IFRS over local standards in the 2003-2008 period? We test the hypothesis that perceived network benefits from the extant worldwide adoption of IFRS can explain part of countries' shift away from local accounting standards. That is, as more jurisdictions with economic ties to a given country adopt IFRS, perceived benefits from lowering transactions costs to foreign financial-statement users increase and contribute significantly towards the country's decision to adopt IFRS. We find that perceived network benefits increase the degree of IFRS harmonization among countries, and that smaller countries have a differentially higher response to these benefits. Further, economic ties with the European Union are a particularly important source of network effects. The results, robust to numerous alternative hypotheses and specifications, suggest IFRS adoption was self-reinforcing during the sample period, which, in turn, has implications for the consequences of IFRS adoption.

From 2008 to 2011, the Canada Revenue Agency (CRA) developed a series of bulletins distributed to its internal auditors, alerting them to the fact that the adoption of international financial reporting standards (IFRS) may affect corporate tax reporting. In this study, the authors review 10 CRA IFRS internal bulletins and one internal
memorandum from the office of the director general. They discuss the accounting issues addressed in each bulletin, the tax risks and taxpayer actions identified by the CRA that could lead to corporate tax avoidance, and finally the CRA's prescriptions for detecting or deterring corporate tax avoidance. The authors found that the CRA did have concerns that the adoption of IFRS in 2011 and prior years, coupled with the discontinuation of Canadian generally accepted accounting principles (GAAP), could lead to various accounting issues, including increased risk that inappropriate tax adjustments would be made for certain enumerated items. This article presents preliminary evidence that accounting standards may affect corporate tax compliance and avoidance. The CRA's concerns are plausible since the starting point for the computation of taxable income is accounting net income. Many firms may engage in tax-avoidance behaviour when they adopt an accounting standard that lends itself to aggressive reporting. The interaction effects of the uncertainty created by the change in GAAP and the tax authority's heightened concern about corporate tax avoidance could be an important area for future study.

As researchers reveal the increasing complexities of accounting practices in emerging economies, there is a growing need for an overview of the topic. The Routledge Companion to Accounting in Emerging Economies is a prestige work offering an introduction to current scholarship in the field, with indications of future directions for enhancing the contribution to knowledge. With regional coverage of key emerging
economies such as Brazil, Russia, India and China, the team of contributors analyse issues in accounting in detail, while shedding light on the role of the accounting profession in providing accountability and governance across the developing world. Each chapter is headed up by an internationally recognised author who is a leading expert in designing and implementing research approaches to the topic. Within the team of authors, some are experienced senior contributors while others are developing new avenues of exploration on the basis of high-quality doctoral study. This range of author experience has been deliberately chosen to allow the reader to envisage working in such a team while growing in confidence. This unique reference offers a comprehensive guide to advanced students, academics, practitioners and policy makers on the current state of, and potential developments in, accounting in developing economies globally. This work will be of particular interest to students and researchers looking to identify topics in emerging economies, academics and practitioners seeking convenient access to an unfamiliar area, and established researchers seeking a single repository on the current state of knowledge, current debates and relevant literature. International Financial Reporting Standards (IFRS) is said to produce higher quality accounting information, greater comparability of accounts, greater consistency of accounting processes, greater transparency between firms and lower costs of capital. However, there are arguments against the adoption of IFRS. The first objective of this study is to examine the accounting quality of IFRS earnings and equity, compared to
the accounting quality of earnings and equity prepared under previous standards; that is GAAP (Generally Accepted Accounting Principles) for United Kingdom, Hong Kong, and Singapore firms. The second objective is to investigate the effect of IFRS on the accounts (earnings and equity) of the average listed firm in United Kingdom, Hong Kong and Singapore. These three countries are chosen because of their comparable historical Anglo-accounting system roots, but deviations in approaches during the accounting standards harmonization era. This study focuses on the initial adoption of IFRS, which is the most appropriate time to measure and fully capture the impact of the changes of accounting standards from GAAP to IFRS. The reason for this is because IFRS 1 First Time Adoption of International Financial Accounting Standards states that firms have to show reconciliations between previous GAAP and IFRS on (a) equity at the date of transition and the end of the latest period presented in the entity's most recent annual financial statements under GAAP, and (b) profit or loss of the latest period of the entity's most recent annual financial statements, with supplementary explanations necessary for understanding the transition. The results of this study shows the accounts of United Kingdom firms are most affected by the adoption of IFRSs when compared to Hong Kong and Singapore firms. Results also reveal that there is little evidence to conclude that financial statements prepared under IFRS are more market value relevant than financial statements prepared under GAAP. There is also little evidence to conclude that financial statements prepared under IFRSs are incrementally
value relevant relative to financial statements prepared under GAAP. The conclusions are that countries that historically chose their GAAPs on selective IASs prior to the adoption of IFRSs were less affected by adjustments to companies equity and earnings. But these adjustments, even in the less harmonized companies in the United Kingdom, were not value relevant to the equity market.

This study investigates whether industry specialist auditors add quality to their clients' audited financial statements under the principles-based International Financial Reporting Standards (IFRS) when compared to non-specialists. It is likely that auditor experience and knowledge plays a more important role in evaluating the overall quality when principles-based IFRS standards are in effect. This study examines the effect of adopting a principles-based standard on the accounting quality of both industry specialist and non-specialist clients and whether joint EU and country industry specialist auditors add additional value relative to auditors that are deemed either EU or country industry specialists only. I also examine if the gap between local gap and IFRS affects accounting quality. The results suggest that the mandatory adoption of IFRS positively affected accounting quality among firms in the European Union countries. This positive effect is equal to between 7 to 9 percent of pre-tax earnings of non-specialist clients. The results show that Country industry specialist clients still provides high accounting quality relative to non-specialists clients in post-adoption period. The gap difference in accounting quality between the country industry specials and non-specialist is
decreased from the pre-and post-adoption period. However, the EU industry specialist clients experience a positive effect with the adoption of IFRS. The results suggest that countries with different level of GAAP difference experience different effect on accounting quality with the mandatory adoption of IFRS. While countries with small gap differences benefit from the adoption of IFRS, the EU industry specialist model suggests that countries with large GAAP difference experience the greatest benefit. The results further find that different classification of industry specialist provides different levels of accounting quality. Country only industry specialist clients provide the highest level of accounting quality. EU and country and EU only clients experience positive effects with the mandatory adoption of IFRS and provide similar accounting quality as non-specialist clients. The results of this study are highly relevant, not only in light of the recent waves of IFRS adoption, but also in light of the recent audit reforms in Europe, which include rules that address mandatory audit rotation, dual audits, and market concentration.

This paper examines the effect of the mandatory adoption of the International Financial Reporting Standards (IFRS) on transparency for investors by measuring the increase in earnings management during the post-adoption period of IFRS. One sign of earnings management is current year earnings being only slightly higher than the previous year's earnings. An increase in earnings management means a decrease in accounting quality and a decrease of transparency for investors. By comparing firms that mandatorily
adopted IFRS to similar benchmark firms in terms of strength of legal enforcement, book-to-market ratios, market values and net incomes, I am able to run empirical regressions examining variables of growth, equity issuance, leverage, debt issuance, turnover, size, cash flow, and time period in order to determine the effect of the adoption on IFRS on earnings growth. After looking at 516 firms from 20 countries for the years of 2002-2007, I conclude that IFRS is decreasing financial reporting quality and decreasing transparency for the investing public, and therefore is not accomplishing its goal of bringing efficiency, accountability, and transparency to global financial markets.

Globalization is a multi-dimensional concept reflecting the increased economic, social, cultural, and political integration of countries. There has been no pinpointed consensus on the history of globalization; however, the globalization process has gained significant speed as of the 1980s in combination with liberalization. Many countries have removed or loosened barriers over the international flows of goods, services, and production factors. In this context, both liberalization and globalization have led to considerable institutional, economic, social, cultural, and political changes in the world. The liberalization and globalization processes have affected economic units, institutions, cultures, social lives, and national and international politics. The Handbook of Research on Institutional, Economic, and Social Impacts of Globalization and Liberalization provides a comprehensive evaluation of the institutional, economic, and social impacts
of globalization and liberalization processes across the world. While highlighting topics like economics, finance, business, and public administration, this book is ideally intended for government officials, policymakers, practitioners, stakeholders, researchers, and academicians interested in the international impacts of globalization and liberalization across a variety of different domains.

An indispensable guide to making the transition to dual IFRS/GAAP financial reporting. U.S. financial reporting will undergo an unprecedented level of change within the next several years. U.S. companies face a convergence between U.S. GAAP and IFRS, affecting several major accounting standards—most notably in the areas of leasing, revenue recognition, and financial instruments. It is imperative that U.S. companies understand these major changes and their business and operational implications. The IFRS U.S. GAAP Dual Reporting Handbook to First-Time Adoption offers a comprehensive treatment of both the principles and techniques of dual reporting under IFRS/U.S. GAAP, while exploring the practical implications for accounting professionals of reporting under both sets of standards. Takes an operating approach to the implementation and application of the dual standards. Draws upon the author's extensive firsthand experience to dispel uncertainty and offer decision makers expert technical assistance. Defines systemic changes businesses will need to make to accommodate IFRS standards. Compares the two bodies of standards item-by-item and identifies solutions under one set of standards to issues arising under the other.
Explores the strategic impact of structuring a company for IFRS transition. In addition to covering the full range of critical issues surrounding adopting IFRS, this indispensable handbook is a rich resource of dual reporting tools, including financial statement formats, charts of accounts, accounting check-lists, reconciliation schedules, and operating manuals.

This thesis examines the impact of the adoption of International Financial Reporting Standards (IFRS) on the readability of financial disclosures, firm performance and analysts' forecasts in Australia. The thesis comprises three papers. The first paper (Chapter 2) provides an historical review of quality in relation to financial reporting in Australia by investigating how the qualitative characteristics of relevance, reliability, comparability and understandability developed in Australia between 1961 and 2004. The notion of the 'quality of financial reporting' has been debated extensively by accounting standard setters and regulators both nationally and internationally. However, there is no unanimous agreement as to the meaning of the word 'quality' or the qualitative characteristics that contribute to notions of 'quality of financial reporting'. The objective of this paper is to investigate the meaning of quality in relation to financial reporting in different time periods over the past 40 years; how different characteristics were identified and developed; and how particular characteristics emerged, dominated and were then superseded or disappeared due to corporate collapses, changing economic conditions and globalisation. The second paper (Chapter 3) examines the
association between readability, firm performance and IFRS in Australia by assessing the impact of the adoption of IFRS on the readability of Notes to the financial statements in the Australian context, and the interaction effect between IFRS and firm performance on readability. This paper uses the complexity of financial reports (Gunning Fog Index) and the number of words (Length) as proxies to measure the readability of financial reports. Results show that financial reports are significantly lengthier, yet are more readable in the post-IFRS period. Further, additional analyses identify that the length of disclosures in Summary of Significant Accounting Policies, Financial Instruments and Intangible Assets are significantly longer after the adoption of IFRS. However, there is no evidence to support any management obfuscation hypothesis in Australia as evidenced in prior United States (US) studies. Results do not demonstrate any differences in the readability of financial reports for poorly performing as opposed to better-performing firms in either pre- or post-IFRS periods, suggesting that managers continue to report both positive and negative information to investors.

The third paper (Chapter 4) examines the association between the readability of financial disclosures, analysts' forecasts and IFRS adoption in Australia by assessing whether the readability of Notes to the financial statements mediates the relationship between IFRS adoption and analysts' forecast accuracy. Results indicate that the readability of firms' disclosures mediates the relationship between IFRS adoption and the accuracy of analysts' forecasts. That is, the paper partially explains that more
readable financial disclosures after the implementation of IFRS lead to greater accuracy of analysts' forecasts. As a whole, this thesis first explores the concept of the quality of financial reporting, where notions of quality can be traced under different names and elements. The thesis identifies that quality is captured by the four qualitative characteristics, relevance, reliability, comparability and understandability, where each qualitative characteristic represents an aspect of quality. The thesis then selects one of these aspects, understandability, and further narrows down to readability, in order to investigate the impact of IFRS on the readability of financial disclosures from: (1) the preparers' perspective because management prepares financial disclosures in the form of Notes to the financial statements and they may implicitly make assumptions about the appropriate level of readability of financial disclosures; and (2) the users' perspective because users read and attempt to understand the content of financial disclosures. In order to examine the preparers' perspective, this thesis explores the relation between the readability of financial disclosures before and after IFRS adoption, and firm performance. To examine the users' perspective, this thesis investigates the relation between readability, IFRS adoption and analysts' forecasts. This study examines the impact of adopting International Financial Reporting Standards (IFRS) and the prior and superseded International Accounting Standards (IAS) on investor returns, the level of earnings management and the value relevance of accounting information in African capital markets. This study is motivated by the
growing momentum of African countries adopting International Financial Reporting Standards (IFRS) for listed, cross listed or even unlisted companies. Prior to the adoption of IFRS, a high level of diversity existed in accounting standards between African countries. These differences consisted of the number of promulgated standards, conservatism of these standards, their completeness for potential accounting transactions, depth and guidelines on allowable measurement methods and disclosure requirements. First, this study empirically examines whether IFRS adoption has impacted investor returns through the informativeness of reported earnings and secondly, whether the level of discretionary earnings management as determined by several models and proxies has declined from the IFRS adoption. Thirdly, this study examines the changes in value relevance of accounting information from the migration to IFRS. This study finds significantly higher informativeness of reported earnings under IFRS for investor returns compared to earnings per share (EPS) reporting under local GAAP after controlling for confounding factors. This provides evidence for the valuation impact of IFRS adoption. Furthermore, this study finds evidence of significantly lower earnings management by firms using IFRS compared to firms utilizing local GAAP's. This lower earnings management by IFRS reporting firms is observed for both the use of discretionary accruals to manage earnings upwards and earnings smoothing. On the value relevance of financial statements, this study first, finds that accounting reports are value relevant in all African markets examined. In addition, IFRS adopted countries and
those harmonizing closely with IFRS are found to have the highest value relevance. Furthermore, test of difference in value relevance in South Africa between IFRS and South African GAAP reporting firms shows significantly higher value relevance for IFRS accounting information. -- Abstract.

Thesis (M.A.) from the year 2018 in the subject Business economics - Accounting and Taxes, grade: 2, Addis Ababa University, course: MBA in Finance, language: English, abstract: The study aims to examine the challenges and prospects of International Financial Reporting Standards (IFRS) adoption in Ethiopian Commercial Banks. To answer the research question and to achieve the objective of the study this paper adopted the mixed research approach. The questionnaire data were analyzed using descriptive statistics and data from interview and document review were interpreted qualitatively. The results show that IFRS adoption in Ethiopian Commercial Banks will result in a number of important benefits to a wide range of stakeholders. The study also found out that with the exception of capital market the other five variables namely need of amending legal and regulatory requirement, volatility of financial position and financial performance, difficulty of obtaining source documents and data, need of updating the existing accounting software, information system and information technology of the bank, shortage of skilled and competent man power, shortage of strong professional bodies are the key challenges of IFRS adoption in Ethiopian Commercial Banks. Finally the study recommended the relevant commercial code, tax
proclamation and NBE directive should be amended by Government organs in consultation with strong professional bodies, establishment of strong professional bodies and capital market, allocation of sufficient financial and other resources by top management, introduction of IFRS in colleges and universities and future adopters should think ahead the required source documents and data as well as ensure the extent of changes needed to update the existing IT infrastructure to satisfy IFRS requirements.

The globalization of business and finance has led to the adoption of International Financial Reporting Standards (IFRS) in more than 100 countries, and numerous studies have examined the consequences of IFRS adoption in these countries. Currently, however, U.S. domestic issuers are not required to use IFRS in preparing their financial statements, which makes the study of potential IFRS adoption effects on U.S. domestic issuers difficult. My dissertation uses a unique sample of foreign private issuers that are cross listed in the U.S. and are allowed to use IFRS for their financial statements, so that I can investigate the effect of IFRS adoption on analyst forecast behavior and analyst information precision in the U.S. By comparing this IFRS adoption sample group with another group of U.S. foreign private issuers that use U.S. GAAP for their financial statements, my dissertation examines and answers three research questions. Firstly, whether there are any differences in analyst forecast behavior, such as analyst following, analyst forecast accuracy, and analyst forecast dispersion,
between the IFRS group and the U.S. GAAP group. Secondly, whether analyst public and private information precision are affected by foreign private issuers' IFRS adoption. And lastly, whether the IFRS adoption effect is moderated by industry characteristics (whether or not IFRS is the dominant accounting standard in the issuer's industry) and moderated by the level of rule of law in the issuer's home country. Results show that compared with the U.S. GAAP group, the IFRS group generally has lower analyst following, lower analyst forecast accuracy, higher forecast dispersion, and less precise public information precision. In addition, the negative effect of foreign private issuers' IFRS adoption on analyst forecast accuracy is weaker when the issuer's industry is in IFRS dominant industry, while the negative effect of IFRS adoption on analyst following is stronger when the issuer comes from a country with strong rule of law. In essence, my dissertation sheds light on the debate surrounding potential IFRS adoption in the U.S by providing evidence that to some extent, foreign private issuers' IFRS adoption is related to unfavorable analyst forecast behavior and information precision in the U.S. capital market.

Seminar paper from the year 2010 in the subject Business economics - Accounting and Taxes, grade: 1.7, Glynd r University, Wrexham known as NEWI (School of Business), course: Financial reporting, language: English, abstract: It can be said that there is a strong movement towards global harmonization of accounting standards despite various national GAAP, particularly German, being substantially different. There are
already great successes achieved, such as IAS adoption in EU and Australia, however, there is still considerable work that has to be done in order to not only impose international standards but also achieve better compliance and interpretation. With regard to Germany, reasonable attempts have been made to adopt IAS, however, there are many transition difficulties due to great discrepancies between IAS and HGB which need to be addressed in order to achieve successful transition."

Bachelor Thesis from the year 2008 in the subject Business economics - Accounting and Taxes, grade: 1,0, University of the West of England, Bristol (Bristol Business School), course: Accounting in Context, language: English, abstract: This report addresses the question whether unlisted German companies should voluntarily adopt IFRS. Benefits for internal as well as external users are discovered including facilitated international comparability and higher quality of financial reports. Furthermore, a comparison reveals that equity figures and volatility are higher under IFRS than under German GAAP. It is discovered that national economic and political circumstances significantly influence reporting practices and thus quality and comparability. Combined with fair value accounting which is of lower reliability as there are no active markets from which values can be derived, IFRS not necessarily seems to be a better alternative compared to German GAAP. Moreover, because IFRS is primarily intended for listed companies and investors’ needs, IFRS only appears to be an alternative for non-listed companies that plan a listing. In general, the complex and costly
implementation process must be outweighed thoroughly. If costs prevail other possibilities represent IFRS for SMEs or the continuation of German GAAP. This paper examines the potential regulatory consequences of voluntary IFRS adoption at the statutory level, focusing on tax consequences and the tradeoff between tax costs and non-tax costs and benefits. I consider a wide range of costs and benefits that relate to the adoption of IFRS for statutory financial reporting. These include tax costs (and benefits), reporting costs, and restrictions on distributable reserves. Results indicate that all of these factors affect managers' decision to adopt IFRS for statutory reporting in sample firms. In particular, I find that firms which are likely to pay more taxes under IFRS are less likely to adopt IFRS in the statutory accounts. Firms that received a greater proportion of dividends are also less likely to adopt IFRS. Results on reporting cost savings are mixed with some evidence suggesting that adopting IFRS for statutory reporting results in reporting cost savings and other evidence suggesting IFRS results in higher reporting costs. Further analysis indicates that relative to non-adopting firms, firms that adopt IFRS for statutory reporting experience a marginal reduction in the amount of cash taxes they pay, although this is likely due to differences in profitability across firms. Finally, mandating IFRS for statutory reporting is estimated to increase the tax burden of sample firms by an aggregate of £2.2 billion in present value. My overall findings indicate that there is substantial heterogeneity in the consequences of IFRS adoption and are consistent with some firms trading off the added tax cost of
IFRS adoption with the reporting cost savings from conforming the accounting method used in the consolidated and statutory accounts.
Comparability is a desirable qualitative characteristic of financial information and critical for financial statement users' ability to identify and understand similarities and differences in financial results among reporting entities. Yet, little research explicitly considers either the determinants or benefits of comparability because of difficulty in identifying and measuring the theoretical construct of comparability. Further, the widespread global adoption of IFRS, a relatively homogenous set of accounting standards, is expected to increase comparability among companies that operate in different national jurisdictions. However, prior studies that examine the average impact of mandatory IFRS adoption on comparability find mixed results. I hypothesized that the impact of mandatory IFRS adoption on comparability varies with managers' reporting incentives and differences between countries' domestic standards and IFRS. Using listed firms from 34 countries, I documented that comparability under non-IFRS domestic standards is higher in countries that provide strong reporting incentives (i.e. countries with strict enforcement regimes or high earnings transparency). Additionally, I found an increase in comparability following IFRS adoption (relative to a control sample of non-adopters) in countries that provide strong reporting incentives or with large domestic GAAP-IFRS differences. In contrast, I found evidence of a decrease following IFRS adoption (relative to a control sample of non-adopters) in countries with weak
reporting incentives or with small domestic GAAP-IFRS differences. Finally, I showed that changes in comparability surrounding adoption are positively associated with changes in the quality of firms' information environments.

The qualitative analysis involved semi-structured interviews, conducted with financial managers, academics, the members of the Saudi Organization for Certified Public Accountants (SOCPA), and internal auditors to provide an in-depth insight into the resistive factors that could not be investigated easily through quantitative methods, and to provide an understanding of the context for IFRS adoption. In addition to focusing on the banking and insurance sectors, who are the only ones to have applied IFRS officially in Saudi Arabia since 2005, the aim was to identify the most important factors affecting the application of IFRS in Saudi Arabia. The findings show that globalisation, accounting bodies, and political circumstances were found to be positively related to IFRS adoption in Saudi Arabia. In contrast, culture and accounting development were found to have a negative effect on IFRS adoption. Interestingly, the results showed that religion has no effect on IFRS adoption in Saudi Arabia. The findings could be useful to investors, senior managers and legislators in Saudi Arabian firms, in relation to decisions about how to enhance the quality of IFRS adoption and to understand the resistive factors related to its delay. Evaluation of IFRS adoption in this context may also prove useful to other researchers on IFRS adoption in developing economies.

Michael Erkens analyzes the determinants and consequences of information
disclosure. He presents an empirical investigation of corporate risk management disclosures of nearly 400 firms from 20 European countries. The results show that countries’ institutional settings and cultural values are predominant factors why firms disclose information on their risk management practices. In another study, the author analyzes the economic consequences associated with the publication of an annual report in English by European firms from non-English speaking countries. He finds that the release of English annual reports attracts more analysts and foreign investors to the firm, and decreases information asymmetries between insiders and outsiders of the firm.

This study examines the European stock market reaction to sixteen events associated with the adoption of International Financial Reporting Standards (IFRS) in Europe. European IFRS adoption represented a major milestone towards financial reporting convergence yet spurred controversy reaching the highest levels of government. We find a more positive reaction for firms with lower quality pre-adoption information, which is more pronounced in banks, and with higher pre-adoption information asymmetry, consistent with investors expecting net information quality benefits from IFRS adoption. We also find that the reaction is less positive for firms domiciled in code law countries, consistent with investors' concerns over enforcement of IFRS in those countries. Finally, we find a positive reaction to IFRS adoption events for firms with high quality pre-adoption information, consistent with investors expecting net convergence benefits.
from IFRS adoption. Overall, the findings suggest that investors in European firms perceived net benefits associated with IFRS adoption. The issuance of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) in July 2009 has mixed up the bipolar financial reporting landscape between Local Generally Accepted Accounting Principles (GAAPs) and Full IFRS by adding a third dimension to international GAAP choice. The study examines the characteristics and determinants of Full IFRS and IFRS for SMEs adoption by private firms in 110 countries. It finds empirical evidence for the continued existence of local versions of IFRS and the worldwide emergence of a two standard system. The findings also suggest that while Full IFRS adoption was mainly driven by network effects and political pressures, countries adopt the IFRS for SMEs notably due to cost-benefit considerations.

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