

A Perpetual Study of IFRS towards a True and Fair view of International Accounting System

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Abstract- Globalization is one of the great social processes facing humanity forever. Facing a challenge system, global financial information has called for reliable financial information created by accounting. This leads us to study and implementation of International Financial Reporting Standards (IFRS) for rapid growth of international trade and internationalization of firms, the developments of new communication technologies, and the emergence of international competitive forces is perturbing the financial environment largely. To-date there has been limited research conducted into the effects/implications of IFRS adoption. Thus the present study aims to identify and evaluate the materiality of the impact of IFRS adoption on companies' financial position, performance of the financial year, examine individual standards and its effect on shareholders' equity. This research paper even seeks to contribute to the latest discussions on the financial reporting. It starts out by giving an overview of the IFRS accounting policies, which are currently applied by the majority of participants. We have proposed a model of study to find out the views of Chartered Accountants (CA), Company Secretaries (CS), Post Graduates, Doctorates and ICWA who are mainly concerned with the standards so that their acceptability towards IFRS can be assessed.

Index Terms- IFRS, global reporting standards, IASB, perceptual analysis, convergence

I. INTRODUCTION

The rapid growth in international capital markets and cross-border mergers and acquisitions, and other international development and has created pressures for harmonization of accounting standards beyond those covered by only a few decades ago. The business community has admitted that accounting is "the language of business." They are using the accounts to communicate the existence and evolution of the financial position and performance of economic entities. Financial information is a form of language. And if the language of financial reporting should be a putt to use, so that investment decisions and credit may be easier to take, not only must be intelligible, but also must be comparable. Due to the fact that many companies follow the globalization process, so accountants are globalized necessary to continue this process and present the financial position through an accounting procedure that can be understood only by the business community. Due to the fact that this process is following global trends and globalization is above all a political process starting point in creating a unique accounting system needed to pass a difficult process, where the

main accounting systems to litigate to enforce their accounting policies and practices. These new environmental factors in the global economy, international monetary system, multinational corporations and foreign direct investment to create an environment in which business transactions, conduct, evaluation and information, making new and different that require specific accounting sub discipline or the harmonization of accounting practices. (Belkaoui 1994)

A number of multi-national companies are establishing their businesses in various countries with emerging economies and vice versa. Thus we can say that sound financial reporting structure is imperative for economic well-being and effective functioning. Adopting a single global accounting language will ensure relevance, completeness, understandability, reliability, timeliness, neutrality, verifiability, consistency, comparability and transparency of financial statements and these bring about a qualitative change in the accounting information reports which will strengthen the confidence and empower investors and other users of accounting information around the world. It will also help acquirers to assess the actual worth of the target companies in cross border deals and thereby furthering the economic growth and business expansion globally. India Incorporation has long recognized the need to use globally acceptable standards for financial reporting.^[1]

The introduction of IFRS represents a fundamental change in financial reporting. It is not something that can be handled in a few weeks prior to adoption. Planning for it, generating the necessary awareness, educating stakeholders and managing the required changes will take considerable commitment and time to achieve a successful transition. IFRS brings groups and collective working to achieve profits, brings about fair value in the business.^[2] Now, as the world globalizes, it has become imperative for India also to make a formal strategy for convergence with IFRSs with the objective to harmonies with globally accepted accounting standards. Presently, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) formulates Accounting Standards (ASs) based on the IFRSs keeping in view the local conditions including legal and economic environment, which have recently been notified by the Central Government under the Companies Act, 1956.^[4]

A. Review of Literature

A number of studies related to the objectives of this paper have been published in recent years, which we shall consider in two groups

Nigel Masters, Eric Dupont (2002) the authors assess that International Accounting Standards are steadily becoming the

norm. The European Union agreement that all listed companies in Europe must comply by the year 2005 has hastened the process further. This brings particular challenges for all organizations in the financial services world but for insurance companies in particular. What changes will be required in insurance company reporting and lay particular stress on risk management.^[3]

Glenn Boyle, Stefan Clyne, Helen Roberts (2006) employee stock options (ESO) showed that cost can be extremely sensitive to employee characteristics of risk aversion and under diversification. This result casts doubt on the usefulness of any market-based model for pricing ESOs, since such models, by definition, produce option values that are independent of employee characteristics. By limiting employee discretion over the choice of exercise date, vesting restrictions help reduce the magnitude of this problem.^[5]

Tokar (2005) focuses on the impact of convergence on auditing firms and concludes that achieving true convergence of accounting standards is a costly and time-consuming objective, and will require a huge investment of money and a significant change in the training of accounting students in the near future.

John Goodwin, Kamran Ahmed (2006) examined the impact of Australian equivalents to international financial reporting standards (A-IFRS) on the accounts of small-, medium- and large sized firms.

Barth, M. E., Landsman, W. R., Lang, M (2006) focused on the comparison of reporting of the derivatives using International Financial Reporting Standards (IFRS) in comparison with the Czech accounting legislature by the companies listed on the Prague Stock Exchange (PSE). Study draws the attention to check the differences in reporting of derivatives and also compares their qualitative advantages. Results of this study are based on the analysis of annual reports of the companies listed on the PSE. Any of analyzed companies didn't allow all of the requirements of IFRS on reporting of the financial derivatives.

Graeme Wines, Ron Dagwell, Carolyn Windsor (2007) critically examined the change in accounting treatment for goodwill pursuant to international financial reporting standards (IFRSs) by reference to the Australian reporting regime.

Stella Fearnley, Tony Hines (2007) traced the development of attitudes towards financial reporting solutions for entities not subject to the European Union (EU) Regulation. This Regulation mandated application of IFRS for the group accounts of listed companies for financial years beginning 1 January 2005. It seeks to evaluate the alternatives in the light of changing attitudes to IFRS, and the accounting model being adopted, particularly focusing on the problems facing smaller companies.

Armstrong C. (2008) analyzed the development of reporting standards for both financial reporting and for corporate social responsibility (CSR) reporting. It aims to argue that both International Financial Reporting Standards and US Generally Accepted Accounting Principles are vehicles of colonial exploitation and cannot be sustainable. This can be contrasted with the voluntary approach to the development of CSR reporting standards.⁴

Ilse Maria Beuren, Nelson Hein, Roberto Carlos Klann (2008) analyzed the impact of differences between the International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles in the United States

(US GAAP) in the economic-financial indicators of English companies.

Alfred Wagenhofer (2009) analyzed the challenges that arise from political influences and from the pressure to sustain a successful path in the development of standards. It considers two strategies for future growth which the International Accounting Standards Board (IASB) follows: the work on fundamental issues and diversification to private entities.

Dennis W. Taylor (2009) compared the costs to financial statement preparers of making the transition to International Financial Reporting Standards (IFRSs) relative to the benefits to financial statement users from receiving "higher quality" IFRS-based information (measured as incremental value-relevance for listed companies in the UK, Hong Kong and Singapore). These countries had different approaches to harmonization leading up to IFRS adoption.

Rudy A. Jacob, Christian N. Madu (2009) examined the academic literature on the quality of International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS), which are poised to be the universal accounting language to be adopted by all companies regardless of their place of domicile.

Robyn Pilcher, Graeme Dean (2009) determined the impact financial reporting obligations and, in particular, the International Financial Reporting Standards (IFRS) have on local government management decision making. In turn, this will lead to observations and conclusions regarding the research question: "Does reporting under the IFRS regime add value to the management of local government?"

Susana Callao, Cristina Ferrer, Jose I. Jarne, Jose A. Lainez (2009) discovered the quantitative impact of International Financial Reporting Standards (IFRS) on financial reporting of European countries and evaluate if this impact is connected with the traditional accounting system in which each country is classified, either the Anglo-Saxon or the continental-European accounting system.

II. RESEARCH METHODOLOGY

The validity of any research depends on the systematic method of collecting the data, and analyzing the same in appropriate order. In the present study, both primary and secondary data were collected.

Objectives of the Study

The present research work has been undertaken keeping in view the following objectives:

1. To develop an insight about the global financial reporting language i.e. IFRS.
2. To know about the likely beneficiaries of convergence.
3. To study the challenges and risks specific to India in adoption of IFRS.
4. To compare the perception of academicians, industrialists and professionals.
5. To understand the implications of changing importance of IFRS in the present situation and the process of migration in adopting IFRS.

A. Sample Design

Sampling is the use of a subset of the population to represent the whole population. For collecting primary data, field survey technique was employed in the study. First-hand information was

collected from the professional and academicians of Rajkot and Ahmadabad city. The respondents were chosen from the entire cities, based on the members listed in the Rajkot Accounting Association. The respondents were selected through Probability method of Random Sampling technique for survey and non-probability convenience sampling technique was adopted for collecting data from the professional and academicians.

The study was exploratory in nature where survey method was used to collect the required data. The population included

academicians and professionals of Gujarat (Ahmadabad and Rajkot). In all 50 questionnaires were distributed for the study. Out of 50 respondents 42% respondents are Chartered Accounts, 34% are Post Graduates 12% are Doctorate and 6% are Company Secretary and ICWA.

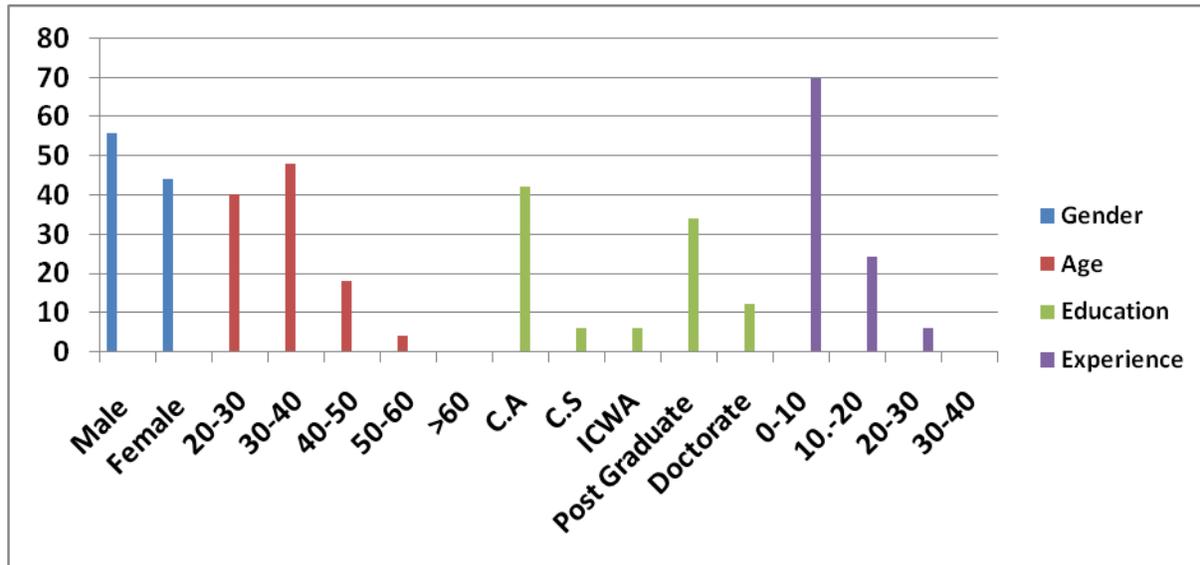


Fig. 1 Respondent profile Classification

All the questionnaires used were closed-form questions, i.e. questions concerning relevance and reliability were stated as propositions, and adopted a five-point Likert scale. To find out whether respondents agreed or disagreed with each survey question, the mean responses were compared and f-tests was used to test whether the mean responses differ significantly from there.

III. RESULT AND OUTCOMES

The analysis is completely based on primary information from the sampled respondents identified according to sampling design.

The researcher has sent questionnaires to 50 respondents, which are classified into 5 Age groups. Of them, Group 1 (G – 1) : 20 to 30 years , Group – 2 (G – 2) : 30 to 40 years , Group – 3 (G – 3) : 40 to 50 years , Group – 4 (G – 4) : 50 to 60 years, Group – 5 (G – 5) : Above 60 years . The total number of respondents is 50, out of which there are 21 respondents are under the age group of 20 to 30 years, 3 respondents are under the age group of 30 to 40 years, 3 ICWA, 17 Post Graduates and 6 Doctorates.

A. Classification of Respondents' on the Basis of Age.

Average level of satisfaction of respondent's classified into different age groups are given below:

Table 1: Computation of average level of satisfaction of respondent's different age groups

No. of Respondents	ALL RES.	G-1	G-2	G-3	G-4	G-5	TOTAL
1	4.62	4.45	10.00	4.67	5.00	0	24.12
2	4.16	4.00	9.22	4.22	3.50	0	20.94
3	3.52	3.30	7.33	4.11	3.50	0	18.24
4	3.84	3.95	7.67	4.00	4.00	0	19.62
5	3.84	3.65	8.33	4.00	4.00	0	19.98
6	4.36	4.50	9.22	4.00	4.50	0	22.22
7	3.22	3.40	6.89	2.78	3.00	0	16.07
8	3.66	3.70	7.22	4.00	4.00	0	18.92
9	3.12	2.95	6.44	3.22	5.00	0	17.62

10	3.24	3.30	6.00	3.89	3.50	0	16.69
11	3.5	3.45	7.33	3.78	3.00	0	17.56
12	2.92	3.20	5.44	3.11	2.50	0	14.26
13	3.08	3.20	5.67	3.67	3.00	0	15.53
14	4.04	4.15	7.89	4.22	5.00	0	21.26
15	4.1	4.10	8.78	4.11	3.50	0	20.49
16	3.92	3.95	8.11	4.33	2.50	0	18.89
17	3.46	3.65	6.89	3.67	2.50	0	16.71
18	3.36	3.30	6.78	3.67	4.00	0	17.74
19	3.36	3.30	6.78	3.67	4.00	0	17.74
20	3.08	3.25	6.33	2.56	4.50	0	16.64
21	3.04	3.05	6.67	2.67	3.50	0	15.88
22	4	4.15	7.89	4.11	4.50	0	20.65
23	3.2	3.30	6.44	3.11	4.00	0	16.86
24	3.84	3.80	7.67	4.33	4.00	0	19.80
25	4.02	3.95	8.33	4.56	3.00	0	19.84
TOTAL	90.5	91	185.33	94.44	93.5	0	464.28

Above table 1 shows there are 50 respondents classified into 5 group's viz. G -1 to G - 5. The total average value of all respondents is 90.5 and the serial number is 1 to 25, in which serial number 1 represents that adoption of IFRS is going to be challenging stands with the highest score of 4.62. While serial number 6 represents that there would be a unified platform and that too transparent in the global scale stands with the second highest score of 4.36. Accordingly serial number 2 represents that the Indian Corporate is going to reap significant benefits from adopting IFRS stands third with the average of 4.16.

In the above table G - 1 is the age group between 20 to 30 years. In G - 1 the total average of respondents is 91, in which serial number 6 represents that there would be a unified platform and that too transparent in the global scale stands with highest the score of 4.50.

In the above table G - 2 is the age group between 30 to 40 years. In G - 2 the total average of respondents is 185.33, in which serial number 1 represents that the adoption of IFRS is going to be challenging stands with the highest score of 10.

In the above table G - 3 is the age group between 40 to 50 years. In G - 3 the total average of respondents is 94.44, in which serial number 1 represents that the adoption of IFRS is going to be challenging stands with the highest score of 4.67.

In the above table G - 4 is the age group between 50 to 60 years. In G - 4 the total average of respondents is 93.5, in which serial number 1, 9 and 14 stands highest with the score of 5. Thus we can conclude that respondents believe that IFRS adoption is going to be challenging, the main effect of IFRS is on how a company recognizes measures and discloses items, and that the global accounting would move towards a fair value accounting.

In the above table G -5 is the age group above 60 and there is no respondent in the same age group. Keeping in view the above table we can say that there was very less similarity between all the five groups. While the grand total of the whole table is 464.28.

However, whether level of satisfaction about the opinion of the respondents with reference to age group are significant or not is tested at 5% level of significance with the help of "F" test.

Hypothesis

- H0: There is no significance difference between in the opinion of the respondents with reference to age group.
- H1: There is significance difference between in the opinion of the respondents with reference to age group

Table 1.1: Analysis of ANOVA according to respondents view with reference to age group.

Source of Variation	S.S	d. f.	MS	F (c)	F (t)
S. S between groups	25.97	24	1.08	3.20	1.63

S. S between Respondents view	687.22	4	171.81	508.76	2.47
S. S Error	32.42	96	0.34		
Total	745.6136	124			

The above table 1.1 expresses that the statistical analysis of respondents point of view about IFRS adoption with reference to age group. The calculated value of S.S between Groups is 3.20 and the table value at 5% level of significance is 1.63. The calculated value of “F” is higher than the table value of “F”. Hence the null hypothesis (H0) is rejected and alternate hypothesis (H1) is accepted. Thus there is significance difference between in the opinion of respondents with reference to age group.

As per the Sum of Squares between respondents view the calculated value at 5% level of significance is 508.76 and the tabulated value is 2.47. Hence the calculated value of “F” is higher than the table value of “F”. Thus the null hypothesis (H0) is rejected and alternate hypothesis (H1) is accepted. Thus there is significance difference between the opinions of respondents with reference to age group. This shows that the above results are as per expectation.

From the above results we can conclude that there is significant level of difference between the different age groups and the perception or opinion of people in the context of IFRS.

B. Classification of Respondents' On The Basis of Education.

The analysis is completely based on primary information from the sampled respondents identified according to sampling design. The researcher has sent questionnaires to 50 respondents, which are classified into 5 various groups. Of them, Group 1 (G – 1) : Chartered Accountants , Group – 2 (G – 2) : Company Secretary, Group – 3 (G – 3) : ICWA , Group – 4 (G 4) : Post Graduate, Group – 5 (G – 5) : Doctorate of Rajkot City. The total number of respondents is 50, out of which there are 21 Chartered Accountants, 3 Company Secretaries, 3 ICWA, 17 Post Graduates and 6 Doctorates.

Below table 2 shows there are 50 respondents classified into 5 group’s viz. G -1 to G – 5. The total average value of all respondents is **90.86** and the serial number is 1 to 25, in which serial number 1 represents that adoption of IFRS is going to be challenging stands with the highest score of **4.6**. While serial number 6 represents that there would be a unified platform and that too transparent in the global scale stands with the second highest score of **4.34**. Accordingly serial number 2 represents

that the Indian Corporate is going to reap significant benefits from adopting IFRS stands third with the average of **4.24**.

In the above table G – 1 represents the group of Chartered Accountants. In G – 1 the total average of respondents is **90.05**, in which serial number 6 represents that there would be a unified platform and that too transparent in the global scale stands with highest the score of **4.45**.

In the above table G – 2 represents the group of Company Secretary. In G – 2 the total average of respondents is **60.67**, in which serial number 16 represents that Convergence of global accounting can improve investment decisions stands with the highest score of **3.33**.

In the above table G – 3 represents the group of ICWA. In G – 3 the total average of respondents is **89.00**, in which apart from the above statements, serial number 14 and 15 are highly accepted which represents that the global accounting would move towards Fair Value accounting and convergence of global accounting can easily be used to compare the financial information to other companies. Thus the educated group of ICWA has supported the above statements with the highest score of **5**.

In the above table G – 4 represents the group of Post Graduates. In G – 4 the total average of respondents is **91.24**, in which serial number 1 stands highest with the score of 5. Thus we can conclude that respondents believe that IFRS adoption is going to be challenging.

In the above table G -5 represents the age group of Doctorates. In the same group the total average of respondent is 93.10, in which serial number 1 stands highest with the score of **4.83**. Thus we can conclude that majority Doctorates believe that IFRS adoption is going to be challenging.

Keeping in view the above table we can say that there was very less similarity between all the five groups. While the grand total of the whole table is **424.04**. However, whether level of satisfaction about the opinion of the respondents with reference to Education Level are significant or not is tested at 5% level of significance with the help of “F” test.

Average level of satisfaction of respondent’s classified into different educational groups are given bellow:

Table: 2 Average level of satisfaction of respondent’s classified into education groups

No. of Respondents	ALL Respondents	G-1	G-2	G-3	G-4	G-5	TOTAL
1	4.64	4.32	2.67	5.00	5.00	4.83	21.82
2	4.24	4.05	2.33	5.00	4.53	4.00	19.91
3	3.54	3.27	2.33	4.33	3.71	3.67	17.31

4	3.94	4.05	2.67	4.33	3.59	4.33	18.97
5	3.84	3.77	3.00	3.33	3.88	4.00	17.99
6	4.34	4.45	2.00	5.00	4.18	4.50	20.13
7	3.22	3.45	1.67	3.67	2.82	3.50	15.11
8	3.68	3.59	2.33	3.33	3.82	3.83	16.91
9	3.18	3.09	3.00	2.33	3.00	3.43	14.85
10	3.16	3.00	3.00	1.67	3.35	3.50	14.52
11	3.54	3.14	2.33	4.00	4.00	3.50	16.97
12	2.94	3.36	1.67	2.33	2.53	3.00	12.89
13	3.06	3.23	2.00	3.00	2.88	3.00	14.11
14	4.02	3.91	2.33	5.00	4.00	4.17	19.41
15	4.12	4.14	2.00	5.00	4.06	4.17	19.36
16	4	3.82	3.33	4.33	4.00	4.17	19.65
17	3.46	3.64	2.00	2.67	3.47	3.33	15.11
18	3.36	3.55	3.00	3.00	2.88	3.83	16.26
19	3.44	3.27	2.33	3.67	3.71	3.17	16.15
20	3.08	3.05	2.00	1.67	3.41	3.00	13.12
21	3.06	2.95	2.67	3.33	3.12	2.83	14.91
22	3.98	4.00	1.67	4.33	4.00	4.17	18.17
23	3.24	3.64	3.00	1.67	2.71	3.67	14.68
24	3.78	3.68	2.67	3.00	3.88	4.17	17.40
25	4	3.64	2.67	4.00	4.71	3.33	18.34
TOTAL	90.86	90.05	60.67	89.00	91.24	93.10	424.04

Hypothesis

- H0: There is no significance difference between in the opinion of the respondents with reference to Education Level.
- H1: There is significance difference between in the opinion of the respondents with reference to Education Level.

Table 2.1: Analysis of ANOVA according to respondents view with reference to Education Level

<i>Source of Variation</i>	<i>S.S</i>	<i>d.f.</i>	<i>MS</i>	<i>F (c)</i>	<i>F (t)</i>
S. S between groups	27.47	24	1.14	4.01	1.14
S. S between Respondents view	29.52	4	7.38	25.90	7.38
S. S Error	27.34	96	0.28		
Total	84.32	124			

The above table 2.1 expresses that the statistical analysis of respondents point of view about IFRS adoption with reference to Education Level. The calculated value of S.S Between Groups are 4.01 and the table value at 5% level of significance is 1.14. The calculated value of “F” is higher than the table value of “F”. Hence the null hypothesis (H0) is rejected and alternate hypothesis (H1) is accepted. Thus there is significance difference between in the opinion of respondents with reference to Education Level.

As per the Sum of Squares between respondents view the calculated value at 5% level of significance is 25.90 and the tabulated value is 7.38. Hence the calculated value of “F” is higher than the table value of “F”. Thus the null hypothesis (H0) is rejected and alternate hypothesis (H1) is accepted. Thus there is significance difference between in the opinion of respondents with reference to Education Level. This shows that the above results are as per expectation. From the above results we can conclude that there is significant level of difference between the different Education Level and the perception or opinion of people in the context of IFRS.

C. Classification of Respondents' on the Basis of Experience

Below table 3 shows there are 50 respondents classified into 5 group's viz. G -1 to G – 5. The total average value of all respondents is **61.00** and the serial number is 1 to 25, in which serial number 1 represents that adoption of IFRS is going to be challenging stands with the highest score of **4.42**. While serial number 6 represents that there would be a unified platform and that too transparent in the global scale stands with the second

highest score of **4.34**. Accordingly serial number 2 represents that the Indian Corporate is going to reap significant benefits from adopting IFRS stands third with the average of **4.24**.

In the above table G – 1 represents the group having experience of 0 to 10 years. In G – 1 the total average of respondents is **91.08**, in which serial number 1 represents that adoption of IFRS is going to be challenging stands with the highest score of **4.67**.

In the above table G – 2 represents the group having experience of 10 to 20 years. In G – 2 the total average of respondents is **1166**, in which serial number 2 represents that Indian Corporate is going to reap significant benefits from the adoption of IFRS stands with the highest score of **56**.

In the above table G – 3 represents the group having experience of 20 to 30 years. In G – 3 the total average of respondents is **101**, in which apart from the above statements, serial number 9, 11, 14, 16, 21 and 24 are highly accepted with the highest score of **5**.

In the above table G – 4 represents the group having experience of 30 to 40 years. There is no respondent in the same experience and hence the total average is 0.

Keeping in view the above table we can say that there was very less similarity between all the five groups. While the grand total of the whole table is **424.04**. However, whether level of satisfaction about the opinion of the respondents with reference to Experience Level are significant or not is tested at 5% level of significance with the help of “F” test.

Table 3: Average level of satisfaction of respondent's classified into different experience level

No. of Respondents	All Respondents	G-1	G-2	G-3	G-4	TOTAL
1	4.42	4.67	48.00	5.00	0	57.67
2	4.24	4.25	56.00	3.00	0	63.25
3	3.54	3.39	51.00	4.00	0	58.39
4	3.96	3.94	52.00	4.00	0	59.94
5	3.8	3.81	49.00	4.00	0	56.81
6	4.34	4.39	54.00	5.00	0	63.39
7	3.3	3.33	40.00	5.00	0	48.34
8	3.64	3.56	50.00	4.00	0	57.56
9	3.18	3.11	42.00	5.00	0	50.11
10	3.2	3.14	43.00	4.00	0	50.14
11	3.66	3.58	49.00	5.00	0	57.58
12	2.92	2.92	38.00	3.00	0	43.92
13	3.12	3.08	42.00	3.00	0	48.08
14	4.02	4.06	50.00	5.00	0	59.06
15	4.1	4.11	53.00	4.00	0	61.11
16	4	3.94	53.00	5.00	0	61.94
17	3.44	3.56	41.00	3.00	0	47.56
18	3.36	3.33	45.00	3.00	0	51.33
19	3.44	3.39	48.00	2.00	0	53.39
20	3.08	3.19	36.00	3.00	0	42.19
21	3.06	3.14	36.00	4.00	0	43.14
22	4.02	4.06	50.00	5.00	0	59.06
23	3.24	3.31	39.00	4.00	0	46.31
24	3.82	3.83	48.00	5.00	0	56.83

25	4.02	4.00	53.00	4.00	0	61.00
TOTAL	90.92	91.08	1166	101	0	1358.08

Hypothesis

- H0: There is no significance difference between in the opinion of the respondents with reference to Experience.
- H1: There is significance difference between in the opinion of the respondents with reference to Experience.

Table 3.1: Analysis of ANOVA according to respondents view with reference to Experience Level

Source of Variation	S.S	d.f.	MS	F (c)	F (t)
S. S between groups	264.68	24	11.03	1.29	1.67
S. S between Respondents view	36678.22	3	12226.07	1430.80	2.73
S. S Error	615.24	72	8.54		
Total	37558.13	99			

The above table 3.1 expresses that the statistical analysis of respondents point of view about IFRS adoption with reference to Experience level. The calculated values of S.S between Groups are 1.29 and the table value at 5% level of significance is 1.67. The calculated value of “F” is lower than the table value of “F”. Hence the null hypothesis (H0) is accepted and alternate hypothesis (H1) is rejected. Thus there is no significance difference between the opinions of respondents with reference to Experience.

As per the Sum of Squares between respondents view the calculated value at 5% level of significance is 1430.80 and the tabulated value is 2.73. Hence the calculated value of “F” is higher than the table value of “F”. Thus the null hypothesis (H0) is rejected and alternate hypothesis (H1) is accepted. Thus there is significance difference between in the opinion of respondents with reference to Experience. This shows that the above results are as per expectation.

From the above results we can conclude that there is significant level of difference between the different age groups and the perception or opinion of people in the context of IFRS.

IV. CONCLUSION

Now, it is increasingly felt that IFRSs would be the right choice for a single global standard, since it has been prepared with much considerations and consultations. Bearing in mind the pace of the current global development on convergence, substantial convergence is targeted for 2011 across global capital markets.

IFRS has become the financial reporting standard for a significant amount of countries around the world. However, out of all the countries, only a particular handful actually fully adopts IFRS as issued by the IASB. Most importantly, we all need to remember that convergence to a single set of globally accepted high quality standards is ultimately in the best interests of the public, contributing to efficient capital flows within countries and across borders. In the views of the majority of participants, international convergence is vital to economic growth. Thus, while the challenges are great, the rewards are potentially even

greater. The ultimate goal of comparability is probably something that all the countries in the world strive to achieve. However, it should be important to note that quality should not be sacrificed in the process. It is something that needs to be considered carefully at every step to make sure that in the end, everybody will benefit from the adoption of a global set of accounting standards.

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