

International Financial Reporting Standards (IFRS) Adoption on Financial Decisions

Katta Ashok Kumar*

Business Management Department, Saveetha University, Chennai, India

Abstract

Expansion of business environment in 1990s changed the financial set up of India from the conventional bank based borrowings to market based one. This necessitated companies to address global stakeholders. The regulatory requirement of different countries also necessitated companies to do multiple reporting i.e., one as per home country standard and the other as per the host country standard. To avoid multiple reporting and to address global stakeholders, a uniform system of reporting was felt necessary to facilitate comparisons, which resulted in the establishment of International Accounting Standard Board (IASB) which issued International Financial Reporting Standards (IFRS). Financial reporting is to present financial information about the status of a company which is used by the stakeholders before any decisions are made with regard to investment, finance, dividend etc. Users of financial reports are; investors, creditors, employees, customers, competitors, government, public etc. and purpose of usage of these reports differ from person to person.

Certain Indian companies having listed in foreign stock exchanges are reporting IFRS voluntarily in their financial statements. The present study tries to understand the impact of this voluntary adoption of International Financial Reporting Standards on the financial decision makers, through a case analysis of Wipro Ltd. The analysis compared the major financial parameters under IFRS and Indian GAAP as reported by Wipro Ltd. for a period of four years from 2009-10 to 2012 - 13. The results postulate an increase in liquidity ratio; equity ratio; interest coverage ratio; marginal increase in debt equity ratio; and no significant increase in profitability ratios except net profit ratio which rose marginally in the year 2013.

Overall the results indicate that the adoption of fair value accounting and strict requirement in adhering to accounting standards have strengthened the financial indicators and provided the decision makers a transparent, true and fair accounting highlighters.

Keywords: Financial markets; Globalization; Financial reporting; Financial standards; Accounting standards

Introduction

Developments in Socio-economic fabric in India have changed financial environment of businesses in India from traditional bank based system to market oriented, which paved way for globalization and consequently expansion of financial markets worldwide necessitating companies to raise funds abroad and address investors outside the home country. As a result, companies were required to comply with regulatory requirement of filing financial reports as per home country and global standards, which led to multiple reporting. To avoid multiple reporting and to have a transparent system of reporting which facilitates; comparisons, reduces cost of raising capital, and also fulfills regulatory requirements of different countries, a uniform system of accounting was felt necessary. The establishment of International Financial Reporting Standards (IFRS), a common accounting system and framework, which is perceived as transparent, and fair to local and global investors, and which lead to increased compatibility and comparability among different financial statements across the globe [1]. This perception is supported by the findings of Hope [2] that countries adopt IFRS to improve investor protection, to make capital market more accessible to foreign investors, and to improve comparativeness and comprehensiveness of their financial information.

In the past, companies submitted their annual financials to regulators and banks as a mandatory disclosure, as users of these financial statements were few, with creditors being major stakeholder. Others are investors, employees, customers and management. Employees were happy as long as they were rewarded with good return; employees with their salaries and benefits; customers with quality

product at competitive prices. The necessity to read financial statements was never felt by these stakeholders. Even, focus of financial statement was on providing financial information to stockholders and creditors to measure management's performance, and for taxation purpose. However, globalization has given new twist to financial market with a change in focus from traditional stewardship to a broader stakeholder focused fair valuation. The framework of IFRS also emphasizes that financial information provided should help stakeholders to make economic and other decisions.

Today, doing business is not only attractive but complex with higher level of expectations by various stakeholders with different phases of economy and stages of product/services. Business solutions, although look simple have taken a manifold deliverables with shared governances with various aspects, parties, compliances, standards etc. in a multi-country focus of businesses. Investors are always on the lookout for newer investment opportunities in any part of the world, which would add value to them. Expansion of markets internationally

*Corresponding author: Katta Ashok Kumar, Research Scholar and Assistant Professor of Business Management, Saveetha University, Chennai, India, Tel: 0875-4862-598; E-mail: yoursashok1984@gmail.com

Received July 28, 2015; Accepted September 19, 2015; Published September 29, 2015

Citation: Kumar KA (2015) International Financial Reporting Standards (IFRS) Adoption on Financial Decisions. J Account Mark 4: 141. doi:10.4172/2168-9601.1000141

Copyright: © 2015 Kumar KA. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

has deprived local companies of the home market advantage. Even small and medium industries are exposed to competition, in and around the world. Employees and Customers take pride in identifying themselves with brands. The reputation associated with good financial reporting is more when brands become associated with a company's name [3]. As financial statements are the means through which businesses communicate to these various stakeholders, requirement of a uniform system of financial reporting became necessity. Supporters of International Financial Reporting Standards (IFRS) consider that financial statements prepared are to meet needs of various stakeholders [4].

Purpose of any financial reporting is essentially to reduce information asymmetry between corporate managers and parties contracting with their firm [5]. It is for corporate managers to reduce this information asymmetry by providing transparent financial reports. The IFRS framework IASB [6] provides four principal quality features: relevance, reliability, understandability and comparability. Information is said to have relevance only when it helps users in decision making process by evaluating various options. Jendrichovska [7] postulated that accounting information needs to be appropriate as this report provides the stakeholder what they want in taking investment decisions. As users of financial statements do not have access to books and records based on which financial statements are prepared, they depend on companies audited financial statements, which are presumed to be both reliable and relevant. To ensure the reliability and relevance of financial statements, companies in US frequently employ Certified Public Accountant (CPA) firms to validate that the companies' financial information adhered to Generally Accepted Accounting Principles (GAAP) [8]. Any information provided must also have reliability. Information is said to have reliability when it is free from any error and prejudice. Without reliable financial information, decision makers cannot rely on financial statements for making sound economic decisions [9]. Ashbaugh and Pincus [10] indicated IFRS implementation increases quality of reporting and reduces absolute analyst forecast errors. Financial statements must be presented in such a way that there should not be any ambiguity in reporting and give scope for interpreting it in multiple ways. Comparability of financial statement is another important aspect of IFRS, main purpose for which uniform accounting standard was initiated. Stakeholders should be able to read financial statement of two different companies and analyze financial performance and position of the company. The International Accounting Standards Board (IASB) seeks a workable solution to alleviate the existing complexity, conflict and confusion created by inconsistency and the lack of streamlined accounting standards in financial reporting [11].

Users of these financial reports are many, such as investors, creditors, employees, customers, competitors, government, public and so on. Purpose of usage of these reports also differs from person to person. Alexander [12] divide users of financial reports into Equity investors, Loan Creditors, Employees, Analysts, Suppliers, Customer, Competitors, Government and Public. Shareholders use it to determine the company's financial position to decide whether to invest in the company or not; Creditors to view liquidity position of the company so that they get their payments on time; Employees to know health of the company; Government to monitor the compliances followed and taxation. Companies will be able to initiate new relationships with investors, customers, suppliers and other stakeholders internationally as IFRS provides a globally accepted reporting platform which will ultimately raise reputation and relationship of the corporate and give them a competitive advantage in building their brand [1].

The introduction of IFRS has fuelled the expectations of users of financial statements on potential benefits of adoption. Studies have confirmed the benefits of IFRS adoption such as comparability of financial statements among companies functioning under different regulatory authorities, low cost of capital, and access to international capital markets and greater international investment [3,13]. Many studies done in Europe and Canada who were early adopters of IFRS have confirmed that the adoption has resulted in changes in key accounting parameters and financial ratios of the companies. Though literature finds difference in accounting standards affecting accounting parameters and financial ratios, no study has focused on to find the impact, these differences have on financial decisions. This pertinent case analysis is an attempt to highlight the impact IFRS may have on financial decisions of Wipro Ltd.

Literature Review

IFRS is comprehensive principles based accounting with emphasis on real economic transactions [14]. Advocates of IFRS argue that if all companies follow one accounting standards, financial reports of companies would be uniform which facilitates easy comparison. Ding [15] IFRS enhances the quality of financial reporting, improves the credit worthiness of financial statements, and provides creditors with more information about the company's ability to repay the debt in time and thus leading to better borrowing terms [16]. A further argument in support of IFRS is that the detailed information provided by way of notes to accounts will improve the ability of users to gauge management performance, as the introduction of fair value allows for better assessment of manager ability. Eventually, due to smoother communication between managers, shareholders and other interested parties, agency costs would become lower, which will lead to lower cost of debt financing [16]. Barth [4] present roof that IFRS communicate new information to the market which helps investors in taking investment decisions, analyzing company's future financial performance. The improved financial communication helps users in taking decisions as this extended information helps them to understand the dynamics of financial reporting better [3].

Dunne [3] in his study on implementation of IFRS in UK, Italy and Ireland on whether IFRS enables stakeholders make better informed decisions, reports Italians were very supportive, UK respondents agreed but the Irish were more negative. This was attributed to the negative views of UK and Irish auditors and preparers. Since profitability is one of the key indicator, showcasing the health of a company, proponents of IFRS claim that adoption of IFRS results in increase in these ratios. Studies by Lantto and Sahlstrom [17] examined the impact of IFRS adoption on key financial ratios of Finnish companies. The results showed that, IFRS changes the magnitude of accounting ratios due to the adoption of fair value accounting and stricter requirement on certain accounting issues. The results indicated increase in profitability and gearing ratios and decrease in PE, equity and quick ratios. The study by Punda [18], on UK companies found that, though UK GAAP and IFRS are very much similar in many aspects, still there was sizeable difference in financial ratios after conversion to IFRS, with respect to profitability and liquidity ratios.

Hung and Subramanyam [19] investigated the effects of IFRS on Financial statements of German Companies during the period 1998-2002. The study found increase in total assets and book value of equity under IFRS and also variability of book value and income. Henry [20] examined the reconciliation between US GAAP and IFRS of EU cross-listed firms from 2004 to 2006. Their findings indicate differences in net income and shareholders' equity between industries. Firms

reported higher net income and lower shareholder equity under IFRS than US GAAP. Dunne [3] states that the main reason for European countries to adopt IFRS is due to its potential benefits: improvements of investor protection, capital market accessibility to foreign investors, comparability and quality of financial statements.

Rahmonova [21] found substantial difference between financial ratios for companies reporting under IFRS versus US GAAP. These differences increased the need of investors and other financial statement users to understand the changes that results from the new set of standards to make well informed and sound financial decisions. According to Price water house Coopers [22]. "Executives can expect that IFRS conversion could affect business fundamentals, such as, communications with key stakeholders, operations and infrastructure, tax and human capital strategies". Even it is expected that, some rules and guidelines concerning assets and liabilities, revenues and expenses, equities are going to change according to IFRS.

Methodology

Research questions

As few of the Indian companies listed in European Union and New York stock exchanges have adopted IFRS voluntarily as early as 2007 (without waiting for Government announcement). The present case study analysis is an attempt to explore the impact of this voluntary adoption of International Financial Reporting Standards on financial decisions. The study compares major financial parameters under IFRS and Indian GAAP as reported by Wipro for a period of four years from 2009-10 to 2012-13, and its possible impact in terms of benefits/drawbacks to all the external/internal stakeholders.

The study analyses financial statements of Wipro, both balance sheet and income statement from 2009-10 to 2012-13 (four years). Financial ratios, both under IFRS and Indian GAAP are the focal areas of analysis. Further, the study draws the differences in financial ratios under both standards and builds on the inherent information to financial decision makers.

Financial ratios provide a benchmark for comparability of firms to review their growth in relation to previous years or with competing companies or against industry standard. Thus, nine financial ratios have been identified and are grouped into four categories i.e., Liquidity, Debt, Equity and Profitability.

Liquidity ratio measures the company's ability to meet its short term obligations. The stability of the business, its financial health and all reflected through these ratios. These are ratios which are generally looked into by creditors, analysts and potential investors before taking any decisions regarding lending or investing. Liquidity ratios considered for the study are current and quick ratios.

Under Debt category, debt equity ratio and interest coverage ratio are considered for study. Debt equity ratio shows the relation between the funds provided by the shareholders and the funds lent by the creditors. A ratio of interest to both the shareholders and creditors, as the debt position of the company reflects the managerial efficiency with which the capital is utilized and also the financial health. Interest coverage ratio indicates the ability of the company to pay interest on its debt. Higher coverage indicates the margin of safety the company has in repaying interest from its earnings.

The equity ratio indicates the amount of fund investors have contributed towards the assets of the company in relation to the total equity. This ratio highlights the long term solvency and sustainability

of the business and hence was found important.

Profitability ratios are used to assess a company's earning capacity in relation to its equity, expenses, capital and assets. These are ratios which are considered by the stakeholders before any taking any financial decisions. Return on equity show how much a company earns in relation to the shareholders equity. This ratio helps investors in deciding on investing in a particular company by comparing it with its peers.

Fixed assets turnover ratio reflects the sales generated by the company out of investments made in fixed assets. This ratio helps in understanding how efficiently and effectively a company uses its fixed assets to earn revenue. Return on capital employed measures the returns a company generates out of capital employed. This ratio indicates the efficiency and profitability of company's investments. The Net profit ratio indicates the percentage of in net income. The ratio also indicates how a company manages its expenses in relation to its net sales. Higher ratio indicates better management of resources and return to stakeholders.

Matrixe

Liquidity ratios

- Current Ratio: Current Assets/Current Liabilities.
- Quick Ratio: Current Assets- (Inventory + Prepaid Expenses)/Current Liabilities.

Debt ratios

- Debt Equity Ratio: Total Liabilities / Stockholders Equity.
- Interest Coverage Ratio: *EBIT / Interest Expense.

Equity ratio

- Proprietary Ratio: Stockholders Equity/(Total Assets-Intangibles).

Profitability ratio

- Net Profit Ratio: Net Profit after tax/Net Sales.
- Return on Equity: Net Income/Stockholders Equity.
- Fixed Assets Turnover Ratio: Net Sales/Average Total Assets.
- Return on capital employed: *EBIT/(Total Assets - Current Liabilities).

* Earnings before Interest and Tax.

The % difference between the ratios under IFRS and Indian GAAP is calculated by:

$$\% \text{Difference} = \frac{(\text{Ratio under IFRS} - \text{Ratio under Indian GAAP})}{\text{Ratio under Indian GAAP}} \times 100$$

Data

Wipro Ltd (Wipro) is one of the largest IT services companies of India. Established in 1945 as an edible oil company, it later forayed into IT business. Wipro is also into other businesses such as Consumer Care, Lighting and Infrastructure Engineering. The company is predominantly equity financed, with its total loans and borrowings amounting only to 18% of capital mix as on March 31, 2013. The market capitalization of the company as on March 31, 2013 is ` 1075 bn. Over the last six years the growth of revenue and profit are noticed at a CAGR of 20% and 14% respectively. The company's operations

are found in 54 countries with an intellectual strength of 142,000+ across services/countries. Primarily, the companies stocks are listed at National Stock Exchange and Bombay Stock Exchange. The company's American Depository Receipts (ADR) representing equity shares are listed in New York Stock Exchange. Wipro started reporting under IFRS from 2009-2010, with transition date of 01.04.2008. The company reports its financials both under Indian GAAP and IFRS. Data has been extracted from both Indian GAAP and IFRS as reported by Wipro to calculate, compare, and for analysis.

First time adopters of International Financial Reporting Standards are required to explain the reasons for difference in figures from Indian GAAP to IFRS with a reconciliation of Equity and Profit and Loss Account as on the date of transition. This explanation along with the notes to the consolidated financial statements has been used to interpret the reasons for the difference in ratios calculated.

Analysis and Interpretation

Liquidity ratios

Liquidity ratios are a measure of company's ability to meet short term financial obligations and it reflects on the margin of safety management maintains to overcome any adverse situations. Table 1 postulate that, both the current and quick ratios have increased significantly from a negative 15% difference in 2010 to a positive 17% in 2013. This gives a positive signal to lenders / bankers as they look into the solvency of a company before financing. A good liquidity position helps managers not only to address fixed obligations of company but also helps them in taking decisions with regard to declaration of dividend, expansion, diversification etc. From shareholder perspective if liabilities are less, it is good news to them as the company is adding value to them in form of financial assets.

A reduced current liabilities and strengthened current asset is the reason for this significant improvement in liquidity ratios. Where Indian GAAP provides for dividend before it is approved by shareholders, IFRS requires approval before payment of dividend. This reduces provision for liability to a considerable extent. IFRS recognizes lease advance and rentals as current assets and available

for sale financial assets are measured at fair value at reporting date. Indian GAAP treats lease advance and rentals in PPE and available for sale financial assets are measured at cost or market value whichever is lower. This reporting difference has boosted current asset in IFRS and resulted in a better liquidity position.

Debt equity ratio

Debt Equity ratio is a long term solvency ratio which indicate relation between portion of assets provided by stockholders and portion of assets financed by creditors. A high debt equity ratio means company is at risk, as it has to earn not only to reward the stockholders but also to fulfill the commitment to lenders.

Table 2 shows that difference in ratio has decreased marginally from a negative 13.34% in 2010, 14.74% in 2013. Low debt symbolizes low risk and gives confidence to the lenders that their debt would be repaid in time. Low debt also means that earnings of the company are not spent on repaying interest but to reward shareholders for the risk undertaken. An average debt equity ratio for four years hovering around 0.57 under IFRS as against 0.66 under Indian GAAP reflects financial health and managerial efficiency of the company to external stakeholders.

Decreased liability is on account of reporting difference under IFRS in accounting of provision for dividend and application of fair value principle.

Interest coverage

Interest Coverage is a financial ratio which indicates the company's ability to pay interest charges on its debt. The coverage aspect of ratio indicates the number of times interest could be paid from available earnings, thereby providing a sense of safety margin a company has, for paying its interest for any period. Table 2 shows difference in interest coverage ratio between Indian GAAP and IFRS as very volatile ranging from a negative 6.28% in 2010 to a positive 7.08% in 2013.

Low interest coverage in IFRS and a greater difference in ratio reflected in the years 2010(-6.28) and 2011(-58.68) are due to

Ratios	IGAAP				IFRS				Difference In %			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Current Ratio	2.26	2.27	1.99	1.82	1.90	2.31	2.32	2.12	-15.61	1.86	16.52	16.96
Quick Ratio	2.16	2.16	1.92	1.80	1.83	2.21	2.23	2.10	-15.24	2.49	16.60	16.98

Table 1: Liquidity Ratios: Wipro Ltd.

Ratios	IGAAP				IFRS				Difference In %			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Debt Equity Ratio	0.78	0.63	0.60	0.64	0.68	0.55	0.52	0.54	-13.34	-13.76	-12.16	-14.74
Interest coverage Ratio	45.72	81.35	21.30	28.19	42.85	33.61	20.98	30.19	-6.28	-58.68	-1.51	-6.28

Table 2: Debt Ratios: Wipro Ltd.

Ratios	IGAAP				IFRS				Difference In %			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Proprietary Ratio	0.67	0.72	0.74	0.70	0.72	0.77	0.79	0.74	7.21	6.58	5.63	6.97

Table 3: Equity Ratios: Wipro Ltd.

Ratios	IGAAP				IFRS				Difference In %			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
Net Profit Ratio	0.17	0.17	0.15	0.16	0.17	0.17	0.15	0.18	-0.36	0.70	-0.13	8.46
Return on Equity	0.25	0.23	0.21	0.23	0.23	0.22	0.20	0.22	-6.80	-5.26	-5.56	-6.69

Table 4: Profitability Ratios: Wipro Ltd.

exchange fluctuation of foreign currency borrowings which is shown as deduction to other income in the profit and loss account in Indian GAAP, whereas in IFRS it is shown as an interest expense. Because of this, interest coverage under IFRS in the years 2010 and 2011 were very low (especially in 2011) compared to Indian GAAP. But following the companies bill of 2011 which was initiated to align Indian GAAP with IFRS, the exchange fluctuation on foreign currency borrowings was also shown as an interest expense in Indian GAAP from 2012 onwards, instead of adjusting with other income. As a result of which the difference between ratios has narrowed from 2012 onwards and has strengthened under IFRS in 2013.

By including the risk on foreign currency borrowings along with fixed obligations, IFRS strengthens the internal control systems of the company which also reflect on the Management's perspective. As the ability to pay interest on borrowings is a tool for testing the solvency of the company, a higher ratio portrays a positive signal to the lenders and margin of safety to the shareholders.

Proprietary ratio

Proprietary ratio indicates relationship between owners' funds and total assets. It reflects extent to which owners funds are invested in different types of assets and financial strength of the company. Higher ratio indicates long term solvency position of the company and lower ratio indicates greater risk to the creditors.

As per Table 3, the % difference has been around 6% in almost all the years. A high proprietary ratio under IFRS indicates the soundness of the capital structure, healthier long term solvency of the company, a good return to the shareholders and a greater security for creditors.

Net profit ratio

Net profit ratio measures the efficiency of a company. It reflects on companies pricing policy, cost structure and production efficiency. A low profit indicates low margin of safety for stakeholders as decline in sales in subsequent years would erode profits.

Table 4, Net profit remains more or less the same under both Indian GAAP and IFRS except in the year 2013 where the % difference between Indian GAAP and IFRS is 8.46%. This is due to demerger and discontinuation of operations by of certain subsidiary companies, by which assets and liabilities of these companies are adjusted against reserves of Wipro as on March 31, 2012. However, IFRS continues to show the profits of the discontinued (demerged) operations separately in its income statement in 2013, which has resulted in the difference of 8.46% in the ratios. With profits of continued and discontinued (demerged) operations separately in the income statement, a transparent communication is sent to all the stakeholders reading the report to take appropriate decisions.

High and consistent profitability of the company is looked into by investors to assess the risk of investing, creditors for determining repaying capacity of debts and Governments to compute taxes.

Return on equity

Return on Equity is the measure of financial efficiency of a company. Higher values indicate efficiency of the company in generating income from investment to its stockholders. Table 4 shows minor difference in ratios under IFRS and Indian GAAP which is on account of minority interest of company recognized within equity in IFRS and is presented separately from equity in Indian GAAP. This presentation difference between IFRS and Indian GAAP has resulted in increase in equity

under IFRS, resulting in low return to stockholders. But by reporting minority interest within equity, IFRS facilitates stakeholders, investors and lenders to identify their share on returns of the company, after taking into account stake of minority interest.

Fixed asset turnover

Fixed asset turnover ratio measures sales generated by the company out of investment made in fixed assets. Higher ratio is a good indicator as it signifies greater level of usage of fixed assets.

Negative and low difference found (Table 4) is on account of leases of land which are classified as operating leases in IFRS and lease advance and rentals are recognized as income in profit and loss account, whereas in Indian GAAP, these are treated as finance lease and are taken to Property, Plant and Equipment (PPE). The treatment of lease accounting not only affects fixed asset turnover ratio but also ratios such as return on equity and EBITDA etc. and also changes the user's decision making about their investment.

Return on capital

Return on capital employed measures the efficiency with which investments made by stakeholders and creditors are used. By comparing net income to sum of a company's debt and equity capital, investors get a picture of how leverage impacts company's profitability. Analysts consider ROCE as a measurement of comprehensive profitability indicator because it gauges management's ability to generate earnings from a company's total pool of capital.

The difference in ROCE shows a gradual decline under IFRS from a positive 10.19 in 2010 to - 8.40 in 2013. The fair value measurement, balance sheet approach for tax calculation under IFRS has resulted in a decreased ROCE.

To Sum-up

This study supports the literature on the impact of adoption of IFRS on accounting figures and key financial ratios of Wipro Ltd used by investors, creditors, analysts etc. Results indicate considerable increase in liquidity ratios, equity ratio and interest coverage ratio, marginal increase in debt equity ratio and no significant increase in any of the profitability ratios. The major reasons for difference in ratios could be attributed to principle based IFRS standard which requires fair value accounting, difference in accounting for leases, balance sheet approach to deferred taxes, and timing of providing provision for proposed dividend.

As users of financial statements are not experts in reading and taking decisions based on reports, explanation provided by way of notes to accounts under IFRS makes it easier for even a novice to understand the reports. As IFRS adoption requires providing more extensive information; transparency, quality and control systems of companies get strengthened. Thus IFRS not only impact the accounting figures but also brings in changes within the organization by strengthening their internal systems and processes. Overall the results indicate that adoption of fair value accounting and strict requirement in adhering to accounting standards have strengthened the financial figures and provided decision makers a transparent, true and fair accounting picture. Though the initial cost involved in transition is high, companies need to adopt IFRS to participate in a globalized financial market, to enable investors and other users of financial statements.

References

1. Yadav (2012) Convergence to IFRS: What needs to be done by Indian Corporate to meet the emerging challenges? IJCEM International Journal of Computational Engineering & Management 15: 2230-7893.
2. Hope OK, Jin J, Kang T (2005) Empirical evidence on jurisdictions that adopt IFRS. Journal of International Accounting Research 5: 1-20.
3. Dunne T, Finningham G, Hannah G, Power D, Fox A, et al. (2008) The implementation of IFRS in the UK, Italy and Ireland. The Institute of Chartered Accountants of Scotland.
4. Barth ME, Landsman WR, Lang MH (2007) International Accounting Standards and Accounting Quality. Journal of Accounting Research 46: 467-498.
5. Ball R (2001) Infrastructure requirement for an economically efficient system of public reporting disclosure. Brooking-Wharton papers on Financial Services 127-169.
6. International Accounting Standards Committee (1989) IASC.
7. Jendrichovska J (2008) International Differences in Accounting: The Birth of Accounting Harmonization Process. Anglo-American University in Prague 1-7.
8. McFarland K (2005) How to play safe on document retention. International Financial Law Review 24: 1-7.
9. Molyneux D (2004) After Andersen: An experience of integrating ethics into undergraduate accountancy education. Journal of Business Ethics 54: 385-398.
10. Ashbaugh SH, Pincus M (2001) Domestic Accounting Standards, International Accounting Standards, and the Predictability of Earnings. Journal of Accounting Research 39: 417-434.
11. Pologeorgis N (2013) The Impact of combining the US GAAP and IFRS.
12. David A, Anne B, Ann J (2005) International Financial Reporting and Analysis. (2nd edn), Thomson Learning, London.
13. Aharony J, Barniv R, Falk H (2010) The Impact of Mandatory IFRS Adoption on Equity Valuation of Accounting Numbers for Security Investors in the EU. European Accounting Review 19: 535-578.
14. Galbraith, Clyde, Kevin E, Flynn (2009) Convergence Pennsylvania Institute of Certified Public Accountants.
15. Ding Y, Hope OK, Jean T, Stolowy C (2007) Differences between domestic accounting standards and IAS: Measurement, determinants and implications. Journal of Accounting and Public Policy 26: 1-38.
16. Iatridis G (2010) IFRS Adoption and Financial Statement Effect: The UK case. International Research Journal of Finance and Economics 38: 165-172.
17. Lantto AMB, Sahlstrom P (2009) Impact of International Financial Reporting Standard adoption on key financial ratios. Accounting and Finance 49: 341-361.
18. Punda P (2011) Impact of International Financial Reporting Standards (IFRS adoption on key financial ratios) - Evidence from the UK. Master's Thesis, Aarhus School of Business.
19. Mingyi H, Subramanyam KR (2004) Financial Statement Effects of Adopting International Accounting Standards: the Case of Germany. Review of Accounting Studies, Forthcoming.
20. Henry E, Lin S, Yang Y (2009) The European-U.S. GAAP Gap: IFRS to US GAAP Form 20-F Reconciliation. Accounting Horizons 23: 121-150.
21. Rahmonova (2009) IFRS versus US. GAAP: How Numbers in Financial Statements Change, Accounting and Finance Department Summer Student Research Program at the University of Nebraska at Kearney.
22. PricewaterhouseCoopers (2008) IFRS and US GAAP similarities and differences.