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A review regarding both Indian and foreign accounting standard

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Abstract
It is appropriate to look at the technical foundations of global reporting Standards (IFRS) in international auditing standards (IAS), as well as the ramifications they are going to have for the accounting industry and the harmonization process, given their broad acceptance. In this regard, it is suggested that countries with a variety of accounting cultures and systems of government embrace IAS/IFRS. It is made possible by the inherent flexibility of the principles-based approach to the standards. Significant changes must also be made to accounting firms' organizational structures, business models, and training programs in order to implement the principles-based approach. Additionally, the competencies of accountants and, by extension, their educational backgrounds must be modified. Finally, we conclude that the IAS/IFRS standards are an important step toward accounting harmonization, although more work needs to be done to increase the comparability of financial indicators across countries and geographical areas. This essay talks at the issuance procedure for both Indian or international accounting standards.

Keywords: Both Indian, International accounting standards

1. Introduction

Accounting standards are a regulatory tool used in almost every nation in the world to control the creation of financial reports. Professional accounting organizations, government agencies, and other regulatory bodies publish written policy documents called accounting standards. Among the many accounting topics they cover are disclosure, presentation, treatment, measurement, and recompition. A transaction from a financial statement. Accounting standards are designed to reduce the degree of incompatibility and improve the reliability of financial statements by standardizing the different accounting principles and procedures.

A transaction on a financial statement. International accounting standards harmonization is required due to the rapid growth of global trade and corporate internationalization, as any business operating in multiple countries must prepare a country's GAAP. A harmonizing accounting principles and practices is to reduce the degree of non-comparability of financial statements and increase their dependability. Uniform accounting standards around the world. Businesses working in this globalized corporate environment require a common accounting language. Overseeing the creation of global accounting norms during 1973 to 2001 was the responsibility of the International Accounting Standards Committee (IASC). International Accounting Standards worked at the IASC in 2001.

International Financial Reporting demands are now worn by the International Accounting demands Board, or IASB. Its headquarters are located in London, United Kingdom. Standardized Financial Reporting (IFRS) The Independent Standards Body (98), an independent body within Standards (JAS), has members from nine different countries and have a variety of functional backgrounds. Founded by the Society of Chartered Accounting of India (ICA) in 1977, the Accounting Standards Board (ASB) was tasked with developing standards for accounting that would be released and updated on an ongoing schedule throughout India. As far as developing accounting standards is concerned, ICAL retains its independence even though it shapes ASB.

Members from a wide range of organizations and sectors make up ASR, which also considers national usages, conventions, and business situations when developing standards.

1.1 Objectives of the research

a) Learn about Indian and globally accounting standards in financial reporting.

b) comprehending Indian accounting rules and global financial reporting standards evolve.

Table 1: Analysis of Indian accounting standards versus international accounting standards.

Comparison	Indian accounting standards	Global accounting standards
Definition	Indian accounting standards or IND AS, is another name for the Indian equivalent related to IFRS. Indian Financial Standards, or IND AS, exactly like, one or more terms for that might be linked to IFRS.	An accounting standard that is frequently used is global financial reporting standards, or IFRS.
Create by	Ministries of Corporate Affairs (MCA)	Worldwide Accounting Standards Board, or IASB
Followed by	Followed only in India	There are 144 countries in the globe
Disclosure	This type of disclosure is not necessary for businesses that use Indian Accounting Standards, or IND AS.	Companies that utilize IFRS must make sure that their financial statements adhere to the regulations.
Financial statement components	Among its contents are the following: Modifications to the report of equity, the cash flow statement, the statement of earnings and expenditures, and the balance sheet 6. The open supply of accounting principles, and 5. Financial statement notes.	Some of those are the following: 1. A statement of earnings. 2. Profit and loss accounts.3. A change on equity declaration for this time frame 4. The statement of cash flow during time.
Balance sheet	There are rules for how balance sheets should be prepared, however companies who use IND AS are exempt from these regulations.	Businesses that use IFRS are required to create balance sheets that separate current and noncurrent assets and liabilities according to specific guidelines.

1.2 Indian and worldwide accounting standards' benefits and drawbacks

Indian Accounting Standards

Merits

a) **Foreign Comparability:** Indian enterprises may disclose their financials in a way that is globally comparable because of their alignment with International Financial Reporting Standards (IFRS), which makes foreign collaborations and investments easier.
b) **Consistency and Transparency**: By enforcing consistency in accounting procedures among businesses, Ind AS improves financial reporting's transparency.
c) **Investor Confidence:** Increased disclosure laws and transparency encourage investor confidence, which may result in more foreign direct investments (FDIs).
d) Fair value evaluation, which is essential for Ind AS, gives a more realistic perspective on a business's overall financial health by considering the current state of the market. Appropriate Representation of Financial Health: By addressing the market illnesses fair value measurement is crucial to Indian AS, which is vital to Indian when considering the market.

Demerits

- **.Complexity and Expensive Implementation**: Small and medium businesses (SMEs) may find it difficult to afford the substantial training, accounting system modifications, and compliance expenses required to adopt Ind AS.
- **Regular adjustments and Changes:** Since Ind AS uses IFRS, it can be difficult to stay up to speed with the regular adjustments required by changes in IFRS standards. Regular adjustments and Changes: Since Ind AS uses IFRS, it can be difficult to stay up to speed with the regular adjustments required by changes in IFRS standards.
- **Fair Value Difficulties:** Because fair value accounting frequently makes adjustments based on market conditions, it can inject subjectivity and cause volatility in financial statements
- **Resource-Intensive:** Companies in areas with limited access to qualified accountants may find it challenging to find the skilled experts who are knowledgeable about Ind AS needed for implementation.

International Accounting Standards

Merits

- **International Comparability:** Investors can more easily compare the financial statements of businesses around the world because of IAS, which promotes uniformity in financial reporting across nations.
- **Promotes Foreign Investment:** By lowering the financial reporting risks connected to disparate regional accounting procedures, uniform standards draw in foreign investors Promotes Foreign Investment: By lowering the financial reporting risks connected to disparate regional accounting procedures, uniform standards draw in foreign investors.
- **Better Financial Transparency:** IAS improves financial information's quality and transparency. which helps stakeholders make better decisions.
- Multinational operations are made simpler by IAS, which utilizes an identical set of reporting requirements that free multinational firms from needing to prepare distinct reports for all countries.

Demerits

- **High Implementation Costs Because** IAS calls for adjustments to accounting systems, employee training, and frequent consulting fees, the transition can be expensive.
- **Complexity of Application:** IAS might be difficult for small businesses or those in developing nations to implement because it requires advanced knowledge and resources.
- **Issues with Fair Value Measurement:** Regular changes to valuations based on fair value may be subjective and lead to volatility in financial statements, particularly for assets without a market.
- **Danger of Manipulation:** Similar to fair value accounting, IAS may be susceptible to manipulation since businesses may make arbitrary changes that affect the actual financial performance reporting.

2. Chapter -2

2.1 literature review

2.1 Accounting Standards and Financial Reporting Quality

As previously mentioned in IASB (2010), the IASB seeks to develop a widely accepted set of high-quality IAS/IFRS that are often referred to as principle-based systems and that take consideration of current and future investors as the primary consumer of financial information.

2.2 Changes in the Quality of financial surrounding the voluntary adoption of IAS and IFRS

The selection to voluntarily accept IAS/IFRS reporting is one aspect of an overall approach that improves a firm's total commitment to content financial reporting, despite the conceptual reasons to question the ability of IAS/IFRS to enhance the quality of financial reporting (Daske *et al*., 2009). More recently, Christensen *et al*. (2013) stated that because of IAB/IFRS, executives have less options, which impacts the standard of financial reporting. With the goal to establish a single business language and increase the quality of financial reporting, they came to an understanding that sharing guidelines simply were inadequate.

2.3 Regulatory framework and financial reporting quality: Notwithstanding this, previous studies on voluntary users offer conflicting information on the effects of IAS/IFRS on financial reporting quality. Daske *et al*. (2009) indicate that these results might not be valid in the current mandatory scenarios.

2.4 Disclosure

A thorough examination of the factual disclosure literature has been examined by Core John (2001). The voluntary forecast disclosures decisions made by management have been investigated by Heng hian *et al*. (2009). The case of the Thai securities exchange mandates AngkaratPriebjriat (2007) to look into transparency among companies.

2.5 Accounting policies

A study on the effect of accounting procedures on the stock price of institutions and companies was carried out by Bialas M. (2012). Lenkakrupova *et al*. (2016) explore the accounting practices of organizations that use IFRS to guide their reporting.

Chapter-3

3.1 METHODS OF RESEARCH:

This study employed a descriptive research methodology, utilized data obtained from secondary sources.

3.1 What to do after an IFRS is released setting the agenda: The IASB aims to improve financial report information through excellent financial reporting standards. When the LASB decides if a topic of conversation can come together with customer demands, it considers the following instructions: the relevancy of the data to consumers of information and the possibility of the data's ability. This includes the present rules, Providing rise to the potential for increased convergence, The standard for quality that IFRS aims to achieve evolves, g) Constraints on supplies. Project organization: When a component is added, the LASB decides whether to work with another standard-setter or operate on its own to finish its current agenda. Due process is adhered to in both systems. Fixing (b) with a) Clearly. c) Great.

3.2 Research report development and publication:

The planning of the research report may differ if it was prepared by another organization that determines accounting rules. Other accounting standards authorities may have executed research that led to the creation of discussion papers, or they may represent the initial phase of a continuing endeavor that the IASB is working on. In LASB discussions, issues related to the subject of the paper are taken into account if research has already been performed by another individual. standard-setter, and the IASB must simply vote by majority to consent to such a report. When done, the draft has been authorized for release by the IASB. In order to invite the public, an inquiry paper is given out. Take note. The IASB generally provides participants 120 days to send in what they have written.

3.3 Draft the IFRS

Due process must be followed when publishing an exposure draft. The IASB mainly utilizes exposure drafts as a means for holding public consultations. Often referred to as a vision to the IFRS, a proposed IFRS is a comprehensive proposal that isn't addressed in a discussion paper but rather in an exposure document. The IASB may think about allowing a maximum 30-day consultation time if the issue is extremely urgent, the document is brief, and it anticipates broad consensus on the subject. But only once 75% with the Trustees had asked for and authorized it in advance would such a brief limit be defined. The group team worked on the project.

3.4 Presentation of Financial Statement

As required by the Companies Act: a) A balance sheet must be produced.b) Profit and Loss Account c) Accounts Notes d) Balance Sheet: Noteworthy Accounts; Statement of Financial Position e) The Statement of Income or Profit and Loss Statement f) The Summary of Equity Changes (SOCIE) a cash flow statement) Cash flow statement h) Notes the proposal relevant accounting principles in summary form together with further instances. When a business restates financial statements, redefines financial statement items, or applies an accounting policy retroactively, the statement of financial condition is prepared as of the start of the earliest similar period.

3.5 Balance Sheet and Income Statement

IFRS does not require a specific framework for the balance sheet. Current or non-current asset and liability presentations are both possible, unless a liquidity display provides more relevant and precise details. There are some minimum things reported on the face of the balance sheet. Likewise Indian GAAP doesn't demand a certain structure; however, the face of the balance sheet must show certain elements. Income statement: Under IFRS, the income statement does not require to follow a specific format. As suggested, the entity's expenses should be presented according to their kind or role on either the notes or the revenue statement's face. a) Money. b) Finance costs b) A portion of post-tax results as determined under the shareholder equity method of accounting for taxes for associates and joint ventures.

Chapter 4

4.1 Finding and suggestions and conclusion

4.1 Finding

- The desire for harmonized accounting standards is driven by the requirement for a common accounting language among businesses operating abroad.

- 35 Indian Accounting Standards (Ind AS) have been notified by India to converge with
- IFRS; implementation will be elective from 2015-16 and required from 2016-17.35. Indian Accounting Standards (Ind AS) have been notified by India to converge with IFRS, implementation will be elective from 2015-16 and required from 2016-17.
- Improved comparability, accountability, and transparency in financial reporting are advantages of convergence.
- Problems include variations in accounting standards, legal frameworks, and sector- specific specifications.

4.2 Suggestions

- Indian accounting standards should be examined and updated frequently to reflect modifications to IFRS.
- Education and Training. To ensure a seamless transition to Ind AS 8, educate and train professionals.
- Recommendations Specific to Industry: Create industry-specific recommendations to
- handle certain accounting issues.
- Enforcement Procedures. To guarantee adherence to Ind AS, put in place efficient enforcement procedures.

5. Conclusion

The International Financial Reporting Standard establishes a new benchmark while concentrating on the information's quality, dependability, and relevance to all of its users worldwide.

Accounting standards must be harmonized in order for a global economy to be created and thrive. The result of harmonization is an authentic and equitable financial statement presentation that is Investors as well as other potential users are just able to use. IFRS provides thorough rules for displaying statements of earnings and additional information about the entity's financial data, allowing investors to compare it with other entities and determine the best investment option.

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