Exploring Stakeholders' Perception About IFRS: An Empirical Study

Shilpa Vardia* and Shiv Lal Parmar**

This study explores the stakeholders' perception about the impact of International Financial Reporting Standards (IFRS). Based on the stakeholders' perception about IFRS and in consultation with academicians, practicing chartered accountants/company secretaries and students pursuing chartered accountancy/company secretary course and IFRS students, 15 key issues and 8 key challenges relating to IFRS were identified. The opinions of 22 academicians, 22 practicing chartered accountants/company secretaries and students pursuing chartered accountancy/company secretary course, and 76 IFRS students were gathered through a field survey. The survey was conducted in Udaipur, Rajasthan, using a closed-ended structured questionnaire. The collected data was empirically analyzed using mean, coefficient of variance, Z-test and ANOVA. The study also revealed that there is a significant difference between average score and neutral opinion on only one question and 22 questions have no significant difference between average score and neutral opinion regarding overall opinion of academicians, professionals and IFRS students exploring the perception on IFRS. The results would benefit the Indian IFRS community to develop better and relevant information for stakeholders.

Introduction

India is one of the emerging economies of the world. For economic development and to facilitate the investment climate, it is necessary to integrate its financial reporting with the rest of the economies of the globe so that investors from outside will understand the financial results and financial position of the companies. The need to communicate across the borders has increased with the increase in global trade, resulting in globalization of capital markets. Companies of one country are borrowing from the capital market of another country. Therefore, financial statements produced in one country are used in another country more and more frequently; this has raised the issue of harmonization of accounting policies, presentation, disclosure, etc. Achieving complete harmonization may not be possible because of differences in economic, political, legal and cultural environments of the countries. However, deviation

* Assistant Professor, Department of Accountancy and Statistics, University College of Commerce and Management Studies, Mohanlal Sukhadia University, Udaipur, Rajasthan, India; and is the corresponding author. E-mail: shilpa.vardia@gmail.com

** Assistant Professor, Shri Govind Guru Government College, Bansawara, Rajasthan, India. E-mail: shivlalparmar.29@gmail.com

can be eliminated by standardization of accounting practices, which would result in issuance of Accounting Standards (AS). The AS not only prescribe appropriate accounting treatment of complex business transactions but also foster greater transparency and market discipline. AS also help the regulatory agencies in benchmarking the accounting accuracy. AS are being established both at national and international levels. However, the diversity of AS among the nations of the world has been a problem for the globalization of business environment.

The magical phenomenon of globalization has made the world a global village. In the last few years, increasing globalization and integration of capital markets have made it mandatory to harmonize AS across the globe. Investors require financial reporting which can give consistent comparability across countries. In an era of increasing globalization, it is imperative to have a single language of financial reporting. Companies in India are also raising capital from foreign countries and are involved in diversification, investment and cross-border mergers. Funds are moving across borders of many countries. If companies report as per the rules prescribed by the local regulatory bodies, investors would have to study the AS across various countries before investing.

Adoption of International Financial Reporting Standards (IFRS) is believed to lead to an increase in transparency, comparability and quality of financial reporting, thereby benefitting investors. Activities of corporate and investors are not limited by any geographical boundaries. However, the fundamental economic differences within each country may hamper the comparison between countries with huge economic differences. Convergence to IFRS would give companies in developing countries like India, access to international capital markets without going through the unwieldy process of conversion to the relevant Generally Accepted Accounting Principles (GAAP) and subsequent processes.

A large number of multinational companies are establishing their businesses in various countries, especially in developing countries. But different countries follow their own AS framework, which creates a great confusion for users of financial statements, leading to inefficiency in capital market around the world. Therefore, there is an essential requirement to create a single set of similar high quality AS across the world to meet business transactions globally, which requires India to go for convergence of Indian Accounting Standards (IAS) with IFRS.

Increasingly, Indian accountants and businessmen feel the need for convergence with IFRS. Capital markets provide an important explanation for this change. Some Indian companies are already listed on overseas stock exchanges and many more will be listed in future. Internationally acceptable AS are becoming the language of communication for Indian companies. To bring the Indian Standards on a par with IAS/IFRS, some of the earlier AS and Guidance Notes have been revised or are under the process of revision. However, at present, the Accounting Standards Board in consultation with the core group, constituted by the Ministry of Corporate Affairs (MCA) for convergence of Indian Accounting Standards, has decided that there will be two separate sets of AS (Sambaru and Kavitha, 2014).

The first set would comprise the IAS which were converged with the IFRS (IFRS converged standards). It should be applicable to specified class of companies. The second set would comprise the existing IAS (Existing Accounting Standards) and would be applicable to other companies, including small and medium companies (SMCs).

IAS converged with IFRS (known as Ind AS): The MCA has hosted 35 converged IAS without announcing the applicability date. These are the standards which are being converged by eliminating the differences of the IAS compliance with IFRS.

Existing accounting standards: The entities not falling within the threshold limits prescribed for IFRS compliance in the respective phases shall continue to use these standards in the preparation and presentation of financial statements.

Literature Review

Stent *et al.* (2010) found that adoption of IFRS in New Zealand led to a significant increase in liabilities and a decrease in equity for private sector entities. Adjustments to income taxes, employee benefits and financial instruments were the main reasons for increase in liabilities and decrease in equity.

The study by Mohammad *et al.* (2011) was based upon the critical analysis of the financial statements of the Indian banking industry, such as business per employee, capital and reserve, investments and advances, net NPA ratios, and the impact thereon of relevant provisions of IFRS. The study showed that the implementation of IFRS shall have a major impact on the advances, financial instruments and investments.

Padrtova and Vochozka (2011) compared the informative value of the financial statements of CEZ Inc. drawn up under IFRS and Czech Accounting Standards for 2004 and 2005. Financial statements prepared under Czech accounting standards showed the company healthier than financial statements drawn under IFRS, thus changing the magnitudes of the key accounting ratios of Czech companies by considerably increasing the profitability ratios and gearing ratio.

Swamynathan and Sindhu (2011) investigated the financial statement implications of adopting IFRS by Wipro and found that the net income position in IFRS reporting and Indian GAAP is not much varied. But there are differences in the total liability and equity position which is mainly because of reclassification between equity and total liability. Overall, the return on equity, return on asset, total asset turnover and net profit ratios are not significantly affected by converging to IFRS, but the leverage ratio shows significant change on converging with IFRS. There is also significant change in the total equity and total liability position on convergence to IFRS, but there are no prominent changes in the total asset position. All these observations make us conclude that IFRS is fair value-oriented and balance sheet-oriented accounting where there are more transparent disclosures, while Indian GAAP is a conservative approach.

Bhargav and Shikha (2013) discussed the impact of IFRS on financial statements and some significant ratios (liquidity and profitability ratios). The variation in total assets and liabilities is because of the reclassification among equity and liability and also because of the difference in the concept of revenue recognition. The valuation and depreciation of property, plant and equipment is also a big cause of difference. All the above observations emphasize the fact that IFRS is a fair value principles-based accounting which will improve the quality of disclosures and enhance international comparability and understanding of financial statements. This in turn will boost investment from across the globe that will ensure enhanced performance for Indian corporate.

Kedar (2013) elaborated on the successful implementation of IFRS in India through convergence. They opined that it is necessary to train the academicians about various intricacies of the IFRS. The role of academicians is at the center stage as they have the ability to prepare the young aspirants in the field of accountancy to face the challenges posed in the profession of accountancy.

Rakesh and Shilpa (2013) attempted to study the relationship between IFRS adoption and FDI and their effect on Indian economy. The findings reveal that the adoption of IFRS is a right step in the right direction. Though there are implementation issues and challenges, the benefits outweigh the challenges. With adoption, Indian companies will produce more credible financial statements that will not only be uniform but also provide a basis for better interpretation. They invariably boost investors' confidence and attract cross-border financial transactions which is the basis for economic growth.

Sen (2013) found that in the process of adoption of IFRS, difficulties have cropped up, particularly relating to the differences between the prevalent standards and the IFRS. Hence, preparation of IFRS-converged standards is a challenge before the preparers both in India and outside.

Kamath and Desai (2014) categorized the financial activities into financial risk, investment activities, operating activities and debt covenants. And with the help of ratios, they suggested that investment activities and operating activities showed improvement, whereas financial risk and debt covenants showed no difference.

Matthew (2015) examined the impact of IFRS on the financial reporting practices of corporate establishments in Nigeria. Data was collected from 50 employees of KPMG (a leading professional financial services provider) through the use of a structured questionnaire and analyzed using mean scores, standard deviation and Pearson chi-square analysis. The study recommended that the regulatory body should embark upon enlightenment campaigns on the potential impacts of adopting IFRS in Nigeria. It also pointed out that the government should support the Nigeria's adoption of IFRS as a matter of urgency to enable full attainment of the country's economic potential. As the time table for the adoption of IFRS in Nigeria had been determined, the need to properly reevaluate the activities of the major institutions connected with the implementation of the new standards should be urgently considered.

According to Ratheesh and Anjula (2015), IFRS is the new accounting concept of financial reporting and communicating to the existing and prospective investors. But it is not fully familiar with the Indian corporate entities. It is clear that convergence of Ind AS (Indian AS) with IFRS means changes in accounting transition as well as reporting system. India has already announced the convergence of IAS with IFRS in a phased manner.

Shrivastava *et al.* (2015) stated that presently there are two sets of AS that are accepted for international use, namely, the US GAAP and the IFRS issued by the London-based International Accounting Standards Board (IASB). Irrespective of various challenges, adoption of converged IFRS in India will significantly change the content of corporate financial statements as a result of more refined measurements of performance and state of affairs, and enhanced disclosures leading to greater transparency and comparability. Overall, the results are consistent with the view that mandatory IFRS adoption improves information comparability across countries. In particular, the results indicate a significant increase in the similarity facet of cross-country in the post-IFRS period.

Shukla (2015) empirically tested the impact of IFRS adoption on the financial activities of a sample of ten Indian listed companies. The results reveal that there is no significant improvement in financial risk, investment activities, operating activities and debt covenants. In other words, there is no significant change in financial activities due to adoption of IFRS.

The above literature review reveals that no work has been done in the area of stakeholders' perception about IFRS in the Indian context. Therefore, the present study is a humble attempt in that direction.

Objective

The main objective of the study is to explore the various stakeholders' opinion and perception on adoption of IFRS and its challenges.

Hypotheses

The study proposes to test the following hypotheses:

H_{01}: *There is no significant difference between the opinions of males and females regarding the perception about IFRS and its challenges.*

H_{02}: *There is no significant difference between the opinions of various age groups regarding the perception about IFRS and its challenges.*

H_{03}: *There is no significant difference between the opinions of various respondents on the basis of their qualifications regarding the perception about IFRS and its challenges.*

H_{04}: *There is no significant difference between the opinions of various professionals and students regarding the perception about IFRS and its challenges.*

Data and Methodology

The study is empirical in nature. The primary data was collected through a closed-ended structured questionnaire (see Appendix). The survey was conducted in Udaipur, Rajasthan, India, in 2018. The respondents and the sample are shown in Table 1. Non-probability purposive sampling technique is used. The responses were measured on a 5-point Likert scale [(1) Strongly Agree (2) Agree (3) Neutral (4) Disagree (5) Strongly Disagree]. The statistical techniques like mean, Coefficient of Variance (CV), Z-test, and ANOVA were used for analysis.

Table 1: Sample

Respondent Group	Initial Sample	Final Sample
Academicians	50	22
Chartered Accountants	50	22
IFRS Students	100	76
Total	**200**	**120**

Results and Discussion

The demographic profile of the respondents is presented in Table 2. Most of the respondents are females and most of them are qualified PGs and the age is less than 25 years. IFRS students are more than the academicians and CA/CS, CA/CS pursuing.

Table 2: Demographic Profile

		Count	Percent
Gender	Male	48	40
	Female	72	60
Qualification	PG	87	72.5
	Ph.D./M.Phil.	13	10.83
	CA/CS, CA/CS Pursuing	20	16.67
Age	Less than 25 years	94	78.33
	25 to 40 years	26	21.67
	40 to 60 years	0	0
Category	Academicians	22	18.33
	CA/CS, CA/CS Pursuing	22	18.33
	IFRS Students	76	63.33

The responses have been arranged in the ascending order of average rank. As depicted in Table 3, out of 23 questions in the questionnaire, opinions in 22 cases have been found to be not significantly different from equally divided opinion of neutral mean (3). Only one out of 23 questions, i.e., Q8 with mean rank 3.11, is significantly different from equally divided opinion of neutral mean (3). The coefficients of variance for all the average opinions fall in the range of 29.83% and 50.25%.

Opinion on whether "IFRS improves the quality of financial statement" has a mean rank of 1.43, which clearly shows that IFRS adoption by all group entities would enable company managements to have a common reporting platform, thus escaping multiple reporting.

Table 3: Stakeholders' Perception About IFRS and Its Impact				
S. No.	**Q. No.**	**Particulars**	**Mean**	**CV (%)**
1.	1	IFRS improves the quality of financial statement.	1.43	38.08
2.	14	Adoption of IFRS will provide professional opportunities to Indian professionals across the world.	1.67	50.25
3.	17	Adoption of IFRS requires more knowledge and training than under GAAP.	1.71	45.42
4.	9	IFRS provides better information to investors for investment decision making.	1.73	45.94
5.	2	The adoption of IFRS increases the financial statement's transparency and comparability.	1.8	39.18
6.	11	IFRS increases access to global capital market for investment.	1.91	48.57
7.	18	Compliance with IFRS requires more disclosure compared with GAAP.	1.95	42.07
8.	15	IFRS provides better information to government than under GAAP.	2.04	39.34
9.	6	IFRS has significant effect on cash inflows.	2.05	41.87
10.	12	Competitiveness among companies is enhanced under IFRS than under GAAP.	2.08	40.60
11.	23	Compliance with IFRS requires major changes in the existing corporate laws and practices.	2.1	45.93
12.	16	Adoption of IFRS is more complicated than under GAAP.	2.14	45.41
13.	10	Compliance with IFRS will increase the positive attitude towards investment in the corporate sector.	2.2	37.54
14.	4	IFRS affects earning ability and other key aspects of the business.	2.32	38.69
15.	13	IFRS adoption makes cross-border listing easier.	2.36	39.47
16.	22	IFRS adoption requires change in IT infrastructure.	2.36	46.13
17.	7	IFRS increases the value relevance of financial statements.	2.39	45.44
18.	21	IFRS adoption increases the cost for the company.	2.39	41.03
19.	19	Fair value concept of IFRS is difficult to apply.	2.55	43.98
20.	5	The adoption of IFRS affects the financial position of the company.	2.62	37.63
21.	3	IFRS adoption decreases the cost of finance.	2.7	29.83
22.	20	IFRS adoption increases volatility in earnings.	2.7	33.81
23.	8	The adoption of IFRS changes the business processes and operations.	3.11	30.89

Note: Mean ranks arranged in ascending order in the table indicate descending order of agreement.

"Adoption of IFRS will provide professional opportunities to Indian professionals across the world" has a mean rank of 1.67. This indicates that IFRS adoption will not only open up a bundle of benefits to Indian corporate, but it will also open up a host of opportunities for accounting professionals. As IFRS is principle-based, it will provide cross-border activities to professionals, including accountants, valuers, auditors and actuaries, which will boost the growth prospects for BPO/KPO segments in India.

"Adoption of IFRS requires more knowledge and training than under GAAP" has a mean rank of 1.71. The switch over from GAAP to IFRS is not just a technical exercise of shift from one set of accounting policies to another but much more. This would not only have significant accounting consequences but very far-reaching business implications too.

"IFRS has provided better information to investors for investment decision making" has a mean rank of 1.73. Better information for decision making leads to broader investment opportunities.

"The adoption of IFRS increases financial statement's transparency and comparability" has a mean rank of 1.80. Adoption of IFRS will result in high quality, transparent and comparable financial statements that are based on modern accounting principles and concepts that are being applied in global markets.

"IFRS increases access to global capital market for investment" has a mean rank of 1.91. The adoption of IFRS will improve cross-border investment by enhancing comparability of financial statements prepared anywhere in the world. IASB will be alert to the best international accounting practices (IFRS) to guide them in the establishment of highly improved reporting practices in India. It also brings about better ability to attract and monitor listings by foreign companies.

"Compliance with IFRS requires more disclosure compared with previous Indian GAAP" has a mean rank of 1.95. Adoption of IFRS means that the entire set of financial statements will be required to undergo a drastic change. The differences are wide and very deep rooted. It would be a challenge to bring about awareness of IFRS and its impact among the users of financial statements.

"IFRS provides better information to government than under GAAP" has a mean rank of 2.04. The reporting requirements are governed by various regulators in India and their provisions override other laws. IFRS does not recognize such overriding laws. The regulatory and legal requirements in India will pose a challenge unless the same is addressed by the respective regulatory body.

"IFRS has significant effect on cash inflows" has a mean rank of 2.05. That means reporting requirement under IFRS in the financial statement requires more disclosure practices, which in turn will increase the positive attitude towards investment in corporate sector, resulting in incremental cash inflow.

"Competitiveness among companies is increasing under IFRS than under GAAP" has a mean rank of 2.08. Under Indian GAAP, there is no extensive standard related to all business combinations. The fact that IFRS is more principle-based will make the teaching a little tedious and harder for students to understand and apply.

"IFRS implementation will require major changes in the existing Indian laws" has a mean rank of 2.10. This indicates that there are contradictory provisions in various Indian laws, and so changes are required in various laws. A rigorous capacity building program should be embarked upon by all regulatory bodies and training institutions in order to provide the needed manpower for IFRS implementation.

"Adoption of IFRS is more complicated than under GAAP" has a mean rank of 2.14. It indicates that IFRS is more complicated due to the variations in different countries' circumstances and GAAP is based on the individual country's need.

"Compliance with IFRS will increase the positive attitude towards investment in the corporate sector" has a mean rank of 2.20. Convergence of IAS with IFRS makes accounting information more reliable, relevant, timely and comparable across different legal and economic frameworks and requirements since it would then be prepared by using a common set of AS which will help the investors who are willing to invest in the countries apart from India.

"IFRS affects earnings and other key aspects of the business" has a mean rank of 2.32. It indicates that adoption of IFRS will significantly affect the financial position of businesses.

"IFRS adoption is easier for cross-border listing" has a mean rank of 2.36. The adoption of IFRS will improve cross-border investment by enhancing comparability of financial statements prepared anywhere in the world.

"IFRS adoption requires changes in IT infrastructure" has a mean rank of 2.36. As financial accounting and reporting systems are modified and strengthened to deliver the information in accordance with IFRS, entities need to enhance their Information System Security in order to minimize the risk of business interpretations, particularly to address potential frauds, cyber terrorism and data corruption.

"IFRS increases the value relevance of financial statements" has a mean rank of 2.39. The use of fair value accounting can bring in a lot of instability and prejudice to the financial statements. It also involves a lot of hard work and requires valuation expert in arriving at the fair value.

"IFRS adoption increases cost for the company" has a mean rank of 2.39. It means adoption of IFRS significantly affects because compliance with IFRS requires major disclosure requirement and needs proper knowledge of all corporate law and practices which increase the cost for the company.

"Fair value concept of IFRS is difficult to apply" has a mean rank of 2.55. It indicates that the value of mean is not significant.

"The adoption of IFRS affects the financial position of the company" has a mean rank of 2.62. It indicates that IFRS does not affect the financial position of a company, because it provides better representation in the financial statements.

"IFRS adoption decreases cost of finance" has a mean rank of 2.70. The mean value signifies that the respondents believed IFRS directly affects how earnings and other key aspects of the business are accounted for and reported.

"IFRS adoption increases volatility in earnings" has a mean rank of 2.7. That means corporate reporting practices need more exposure of applicability.

"The adoption of IFRS changes business processes and operations" has a mean rank of 3.11. Most of the respondents disagree with this because the adoption of IFRS would not affect the operational activities of business.

Gender-Wise Opinion

Gender-wise opinion of male and female respondents about different aspects of stakeholders' perception on IFRS and its impact have been summarized in Table 4.

Table 4: Gender-Wise Opinion

S. No.	Q. No.	Particulars	Male		Female		*p*-Value
			Mean	CV	Mean	CV	
1.	8	The adoption of IFRS changes the business processes and operations.	2.89	32.04	3.263889	29.53	0.036123
2.	11	IFRS increases access to global capital market for investment.	1.68	47.59	2.06	47.51	0.019791
3.	13	IFRS adoption makes cross-border listing easier.	2.12	40.75	2.52	37.54	0.016335
4.	14	Adoption of IFRS will provide professional opportunities to Indian professionals across the world.	1.54	46.27	1.76	51.67	0.01000

Out of 23 questions, on only four questions, difference is found significantly. Female respondents more strongly disagree with Q8 (mean 3.26) than male respondents (mean 2.89). Male respondents more strongly agree with Q11, Q13, and Q14 than female respondents.

Age-Wise Opinion

Age-wise opinion of less than 25-year-old and 25 to 40-year-old respondents about different aspects of stakeholders' perception on IFRS and its impact has been summarized in Table 5.

Out of 23 questions, in only eight questions, difference is found significantly. 25 to 40-year-old respondents more strongly agree with Q1 than 25-year-old respondents. 25 to 40-year-old respondents more strongly agree with Q2, Q6, Q10, Q11, Q19 than less than 25-year-old respondents. Less than 25-year-old respondents more strongly agree with Q4 and Q13 than 25 to 40-year-old respondents.

Table 5: Age-Wise Opinion							
S. No.	Q. No.	Particulars	Less than 25 Years		25 to 40 Years		*p*-Value
			Mean	CV	Mean	CV	
1.	1	IFRS improves the quality of financial statements.	1.47	38.66	1.26	35.63	0.048139
2.	2	The adoption of IFRS increases the financial statement's transparency and comparability.	1.88	38.82	1.5	33.99	0.002229
3.	4	IFRS affects earnings ability and other key aspects of the business.	2.2	38.01	2.7	35.83	0.007726
4.	6	IFRS has significant effect on cash inflows.	2.1	42.05	1.7	34.88	0.006742
5.	10	Compliance with IFRS will increase the positive attitude towards investment in_the corporate sector.	2.28	36.62	1.88	37.75	0.014146
6.	11	IFRS increases access to global capital market for investment.	2.05	47.03	1.42	40.03	0.01100
7.	13	IFRS adoption makes cross-border listing easier.	2.45	37.58	2.82	44.98	0.039286
8.	19	Fair value concept of IFRS is difficult to apply.	2.64	42.77	2.19	46.55	0.048818

Qualification-Wise Opinion

Qualification-wise opinion (PG, Ph.D. /M.Phil., CA/CS & CA/CS pursuing) about different aspects of stakeholders' perception about IFRS and its impact is summarized in Table 6. Out of 23 questions, in only three questions, difference is found significantly. Ph.D./M.Phil. respondents more strongly agree with all the three questions than PG and CA/CS & CA/CS pursuing respondents.

Table 6: Qualification-Wise Opinion									
S. No.	Q. No.	Particulars	PG		M.Phil./Ph.D.		CA/CS, CA/CS Pursuing		*p*-Value
			Mean	CV	Mean	CV	Mean	CV	
1.	1	IFRS improves the quality of financial statements	1.44	39.05	1.07	25.75	1.6	31.41	0.022538
2.	2	The adoption of IFRS increases the financial statement's transparency and comparability.	1.88	39.15	1.38	36.57	1.7	33.6	0.044255
3.	11	IFRS increases access to global capital market for investment.	2.09	47.03	1.38	36.57	1.5	40.46	0.002866

Category-Wise Opinion

Table 7 shows the opinion of academicians, CA/CS & CA/CS pursuing, and IFRS students. Out of 23 questions, in only five questions, difference is found significantly. Academicians more strongly agree with Q2 than CA/CS and IFRS students. CA/CS & CA/CS pursuing more strongly disagree with Q5 than academicians and IFRS students. Academicians more strongly agree with Q6 than CA/CS & CA/CS pursuing and IFRS students. Academicians more strongly agree with Q10 than CA/CS and IFRS students. Academicians more strongly agree and IFRS students disagree with Q11 than CA/CS & CA/CS pursuing.

Table 7: Opinion of Academicians, CA/CS, CA/CS Pursuing, and IFRS Students

S. No.	Q. No.	Particulars	Academicians		CA/CS, CA/CS Pursuing		IFRS Students		*p*-Value
			Mean	CV	Mean	CV	Mean	CV	
1.	2	The adoption of IFRS increases the financial statement's transparency and comparability.	1.4	35.71	1.72	31.87	1.93	38.99	0.006756
2.	5	The adoption of IFRS affects the financial position of the company.	2.59	47.13	3.13	20.39	2.48	38.56	0.023282
3.	6	IFRS has significant effect on cash inflows.	1.68	38.43	1.86	25.08	2.21	43.27	0.019550
4.	10	Compliance with IFRS will increase the positive attitude towards investment in the corporate sector.	1.77	42.39	2.09	41.5	2.35	33.75	0.010290
5.	11	IFRS increases access to global capital market for investment.	1.36	36.1	1.68	38.43	3.14	47.36	0.000772

Conclusion

This study found that the adoption of IFRS would result in high quality, transparent and comparable financial statements that are based on modern accounting principles and concepts followed in global markets. Adoption of IFRS does not affect the business process and operation. Better IFRS adoption by all group entities will enable company managements to have a common reporting platform, thus escaping multiple reporting. IFRS adoption will open up a bundle of benefits to Indian corporate and a host of opportunities for accounting professionals. The switch over from GAAP to IFRS is not just a technical exercise of shift from one set of accounting policies to another, but much more. This would not only have significant accounting consequences but also have far-reaching business implications. The adoption of IFRS will improve cross-border investment by enhancing comparability of financial statements prepared anywhere in the world.

The study revealed that there is a significant difference between average score and neutral opinion on only one question, and 22 questions have no significant difference between average score and neutral opinion. It shows that various stakeholders are satisfied about IFRS implications. It is found that most of the academicians, CA/CS & CA/CS pursuing, and IFRS students are satisfied in a majority of cases. It is anticipated that the finding of this study would contribute to all the stakeholders.

The results would help the Indian IFRS community to develop better and relevant information for stakeholders.■

References

1. Bhargav V and Shikha D (2013), "The Impact of International Financial Reporting Statement and Ratios", *The International Journal of Management*, Vol. 2, No. 2, pp. 1-15.

2. Kamath R and Desai R (2014), "The Impact of IFRS Adoption on the Financial Activities of Companies in India: An Empirical Study", *The IUP Journal of Accounting Research and Audit Practices*, Vol. 13, No. 3, pp. 25-36.

3. Kedar V Marulkar V (2013), "Globalization of Financial Reporting System Through Implementing IFRS in India", *International Journal of Advance Research in Computer Science and Management Studies*, Vol. 1, No. 3, pp. 40-50.

4. Mathew A A (2015), "Impact of IFRS on Financial Reporting Practices in Nigeria: A Case Study of KPMG", *Global Journal of Contemporary Research in Accounting, Auditing, and Business Ethics*, Vol. 1, No. 1, pp. 263-281.

5. Mohammad F, Aziz A A and Kahkashan A (2011), "IFRS Impact on Indian Banking Industry", *International Journal of Business and Management*, Vol. 6, No. 3, pp. 277-283.

6. Padrtova M and Vochozka M (2011), "The Value Statements According to IFRS in Comparison with the Financial Statements in Accordance with Czech Accounting Standards", *Journal of Economics and Management* , Vol. 16, pp. 80-85.

7. Rakesh H M and Shilpa R (2013), "Effect on IFRS and Financial Statement: Implication FDI and Indian Economy", *International Journal of Commerce Business and Management,* Vol. 2, No. 5, pp. 233-241.

8. Ratheesh R J and Anjula C S (2015), "IFRS in Indian Context", *International Journal of Management and Commerce Innovation*, Vol. 3, No. 1, pp. 149-153.

9. Sambru M and Kavitha N U (2014), "A Study on IFRS in India", *International Journal of Innovative Research & Development*, Vol. 3, No. 12, pp. 15-20.

10. Sen S (2013), "IFRS Convergence and Applicability in India: Some Issue", *A Journal of Humanities & Social Science*, Vol. 1, No. 3, pp. 45-54.

11. Shrivastav P, Rawat D S and Maheshwari D (2015), "A Study on Challenges and Prospects of IFRS in Indian Accounting System", *International Journal of Accounting Research & Audit Practice*, Vol. 2, No. 4, pp. 142-149.

12. Shukla S (2015), "An Empirical Study of the Impact of Adoption of IFRS on the Financial Activities of Companies in India", 2nd International Conference on Multidisciplinary Research & Practice, Vol. 3, No. 1, pp. 323-329.

13. Stent W, Bradbury M and Hooks J (2010), "IFRS in New Zealand: Effect on Financial Statements and Ratios", *Pacific Accounting Review*, Vol. 22, No. 2, pp. 99-107.

14. Swamynathan S and Sindhu D (2011), "Financial and Statement Effect on Convergence to IFRS – A Case Study in India", *International Journal of Multidisciplinary Research*, Vol. 1, No. 7, pp. 317-336.

Appendix

Questionnaire

Gender: ☐ Male ☐ Female

Age: ☐ Less than 25 years ☐ 25 to 40 years ☐ 40 to 60 years ☐ Above 60 years

Qualification: ☐ Postgraduate ☐ M.Phil /Ph.D. ☐ CA/CS, CA/CS Pursuing

Occupation: ☐ Academician ☐ Professional ☐ Student

Experience: ☐ Less than 10 years ☐ 10 to 20 years ☐ Above 20 years

Mention your opinion level regarding the following:

1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree

Q. No.	Particulars	1	2	3	4	5
1.	IFRS improves the quality of financial statement.					
2.	The adoption of IFRS increases the financial statement's transparency and comparability.					
3.	IFRS adoption decreases the cost of finance.					
4.	IFRS affects earning ability and other key aspects of the business.					
5.	The adoption of IFRS affects the financial position of the company.					
6.	IFRS has significant effect on cash inflows.					
7.	IFRS increases the value relevance of financial statements.					
8.	The adoption of IFRS changes the business processes and operations.					
9.	IFRS provides better information to investors for investment decision making.					
10.	Compliance with IFRS will increase the positive attitude towards investment in the corporate sector.					
11.	IFRS increases access to global capital market for investment.					
12.	Competitiveness among companies is enhanced under IFRS than under GAAP.					
13.	IFRS adoption makes cross-border listing easier.					
14.	Adoption of IFRS will provide professional opportunities to Indian professionals across the world.					
15.	IFRS provides better information to government than under GAAP.					

Appendix (Cont.)

Q. No.	Particulars	1	2	3	4	5
16.	Adoption of IFRS is more complicated than under GAAP.					
17.	Adoption of IFRS requires more knowledge and training than under GAAP.					
18.	Compliance with IFRS requires more disclosure compared with GAAP.					
19.	Fair value concept of IFRS is difficult to apply.					
20.	IFRS adoption increases volatility in earnings.					
21.	IFRS adoption increases the cost for the company.					
22.	IFRS adoption requires change in IT infrastructure.					
23.	Compliance with IFRS requires major changes in the existing corporate laws and practices.					

Reference # 09J-2019-01-02-01