

Impact of IFRS Adoption on Financial Reporting Quality

Divya Chavan¹, Dhanshree Borhade² and Prof. Surekha Gaikwad³

Researcher^{1,2} and Research Guide³

MIT Arts, Commerce and Science College, Alandi (D), Pune, India

Abstract: *The study examines the impact of international financial reporting standards adoption and financial reporting and quality in listed company. Therefore the research goal focuses on studying the mechanisms to be adopted in countries whose financial markets are in active, which increases the difficulty of adopting standards financial reporting for the first time in light of the lack of prior adoption in international financial accounting standards the adoption of international financial reporting standards also contributes to a positive impact on the way of interpreting the financial statement.*

Keywords: IFRS adoption, financial reporting quality, financial statement transparency, Challenges

I. INTRODUCTION

The adoption of international financial reporting standards (IFRS) has become widespread phenomenon globally, with over 140 countries requiring or permitting the use of IFRS is to provide high quality. The pursuit of quality and uniformity in preparing financial statement has led to introduction of international financial reporting standards (IFRS). The study aims to investigate the effect of IFRS adoption on financial reporting quality, focusing on (specific aspect, such as earnings quality, accounting conservatism, or disclosure transparency)Through review of accounting literature on the implementation of international financial reporting standards, this studies have demonstarted that the financial statement are viewed as providing relevant, reliable and comparable financial information from one accounting year to another.

II. LITERATURE REVIEW

(Adeyemi, 2012)

International financial reporting standards IFRS are set of international accounting standard starting how particular types of translation and other event should be reported in financial statement IFRS are issued by the international accounting standard board.

Cherry, 2008 Integrity of an organization accounting record demands that all the reports are compiled using consistent principles and data. Nyor 2012, financial reporting can be defined in terms of those for whom the reports are intended. At end of the spectrum are the annual financial statement on organization which are the prime means of demonstrating its responsibility to its stakeholders while at the other end are the internal reports, aimed at providing information for decision making by managers.

Kargin2013, concluded that the implementation of IFRS led to a significant improvement in the relevance of accounting information based on a study on the quality of accounting information before and after the implementation of the international financial reporting standard.

RESEARCH GAP:

The main goal of my research paper is to show struggle lack of comprehensive frameworks for evaluating IFRS adoption effects. Limited understanding of how IFRS effects financial reporting quality in emerging markets by addressing those gap future studies can provide valuable insights into the impact of IFRS adoption of financial quality.

OBJECTIVES:

- To examining the impact of IFRS adoption on financial reporting quality in listed company

- To assess the change in financial reporting quality metrics.
- To identify the challenges and benefits associated with IFRS adoption.

III. METHODOLOGY

The present research paper is a return in detail base on secondary data method. This research paper is based on secondary data base to get comprehensive understanding of the topic the data is collected from basic knowledge impact of financial adoption on developing countries. The is collected from the journals, newspaper, websites and the books.

Explanation :

CHALLENGES

- Difference between GAAP and IFRS :While applying IFRS, the whole set of financial statement will have to change to bring awareness about IFRS, it would be a challenges for the application of its impact among users of financial statement.
- Training and education: It is quite essential to provide education and training on IFRS.
- Legal consideration: The reporting arrangement in India is regulated by different regulated agencies and their provision override other laws IFRS does not recognize such laws and regulatory and legal compliance are certainly a challenges in India.

IV. FINDINGS

- An entity that present financial statement in accordance with IFRS for the first time is a “first time adopter”.
- Such first time adopters should apply IFRS1 in preparing their opening IFRS statement of financial position.
- An entity shall apply this IFRS.
- Its first IFRS financial statement.
- Each interim financial report, if any, presented in a accordance with IAS 34 for the part of the period covered by its first IFRS financial statement.

V. CONCLUSION

The study of investigate the impact of international financial reporting standards IFRS adoption on financial reporting quality of listed companies the findings suggest that IFRS adoption has positively influenced financial reporting quality, leading to improved accounting conservatism, reflected in increased recognition of provision and reduced assets over valuation.

REFERENCES

- [1]. Ahmed,A.S.&Hussain, S.2018. impact of IFRS adoption on financial reporting quality evidence from listed company in Pakistan.
- [2]. Cairns,D. 2017 the IFRS conceptual framework.
- [3]. Hicks J 2018. International financial reporting standards routledge.
- [4]. International accounting standards board (IASB) 2020.
- [5]. International financial reporting standards IFRS foundation 2020.