

An Evaluation of the Impact of International Accounting Standards on Financial Reporting Quality: Evidence from Emerging Economies

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Abstract : Background and Aims: The adoption of International Accounting Standards (IAS) is considered to be one of the most significant developments in the accounting profession. The adoption of IAS aims to improve financial reporting quality by ensuring that financial information is transparent and comparable across borders. However, there is a lack of research on the impact of IAS on financial reporting quality in emerging economies. This study aims to fill this gap by evaluating the impact of IAS on financial reporting quality in emerging economies. Methods: This study uses a sample of firms from emerging economies that have adopted IAS. The sample includes firms from different sectors and industries. The financial reporting quality of these firms is measured using financial ratios, such as earnings quality, financial leverage, and liquidity. The data is analyzed using a regression model that controls for firm-specific factors, such as size and profitability. Results: The results show that the adoption of IAS has a positive impact on financial reporting quality in emerging economies. Specifically, firms that adopt IAS exhibit higher earnings quality and lower financial leverage compared to firms that do not adopt IAS. Additionally, the adoption of IAS has a positive impact on liquidity, suggesting that firms that adopt IAS have better access to financing. Conclusions: The findings of this study suggest that the adoption of IAS has a positive impact on financial reporting quality in emerging economies. The results indicate that IAS adoption can improve transparency and comparability of financial information, which can enhance the ability of investors to make informed investment decisions. The study contributes to the literature by providing evidence of the impact of IAS adoption in emerging economies. The findings of this study have implications for policymakers and regulators in emerging economies, as they can use this evidence to support the adoption of IAS and improve financial reporting quality in their respective countries.

Keywords : accounting, international, standards, finance

Conference Title : ICAF 2024 : International Conference on Accounting and Finance

Conference Location : Vancouver, Canada

Conference Dates : September 26-27, 2024