

## Conventional and Islamic Perspective in Accounting: Potential for Alternative Reporting Framework

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**Abstract :** This paper provides an overview of fundamental philosophical and functional differences in conventional and Islamic accounting. The aim of this research is to undertake a detailed analysis focus on specific illustrations drawn from both these systems and highlight how these differences implicate in recording financial transactions and preparation of financial reports for a range of stakeholders. Accounting as being universally considered as a platform for providing a 'true and fair' view of corporate entities can be challenged in the current world view, as the business environment has evolved and transformed significantly. Growth of the non-traditional corporate entity such as Islamic financial institutions, fundamentally questions the applicability of conventional accounting standards in preparation of Shariah-compliant financial reporting. Coupled with this, there are significant concerns about the wider applicability of Islamic accounting standards and framework in order to achieve reporting practices satisfying the information needs generally. Against the backdrop of such a context, this paper raises fundamental question as to how potential convergence could be achieved between these two systems in order to provide users' a transparent and comparable state of financial information resulting in an alternative framework of financial reporting.

**Keywords :** accounting, conventional accounting, corporate reporting, Islamic accounting

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