THE PERCEPTION OF ACCOUNTANTS ON IFRS ADOPTION: EVIDENCE FROM LIBYA

By

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ABSTRACT

International Financial Reporting Standards (IFRS) is being adopted by many countries in the world. The purpose of this study is to examine factors that affect an adoption of IFRS in Libya from the perception of Libyan companies’ accountants. This study has been conducted using a survey of 288 distributed questionnaires in 2015. The questionnaires have been distributed to Libyan companies’ accountants. The results reveal that professional bodies and government policy positively significant to an adoption of IFRS in Libya. However, capital market and education level are not significant to the adoption of IFRS in Libya.

Key words: International Financial Reporting Standards (IFRS), Libya, Adoption.
ABSTRAK

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CHAPTER 1
INTRODUCTION

1.1 Background

The international scope of businesses has improved in line with globalization and thus the traditional accounting system is no longer appropriate for the preparation of financial information (Zehri & Chouaibi, 2013). In the last two decades, the provision of international accounting standards has been widely discussed. Countries such as Canada, the United States and the European countries have been debating on the adoption of these standards. The discussions focusing on the developing countries however are relatively limited.

Parallel with the globalization of economic trade, the accounting and financial information is utilised in developing countries as the strategy to attract foreign investors. According to Owolabi and Iyoha (2012), developing countries employ accounting and financial information in order to attract foreign investment and capital.

Thus, with the adoption of IFRS (International Financial Reporting Standards), the comparability of financial statements has improved due to the increasing reliability of the information. In line with the improvement in international trade and capital markets, it becomes crucial to raise the standards of accounting practices at global level so that greater harmonization of financial statements can be obtained. Since financial markets are rapidly globalized, the need for financial reporting based on international standards too increases (Chen, Tang, Jiang, & Lin, 2010).
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References


