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Development of Accounting Practice in Various Approaches in the Field of Science

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Abstract

This study discusses the development of accounting practice in various approaches in the field of science. Bookkeeping must create in arrange to be able to supply the data necessary for choice making within the company for any changes within the trade environment. Trade globalization can be seen from free exchange between nations which has come about within the development of many multinational companies, this moreover influences the require for harmonization of a standard that applies to the total world. Bookkeeping can moreover be classified agreeing to a country's legitimate framework. This see has ruled bookkeeping considering for the final 20 a long time or so. The result could be a solid capital showcase creating in common law nations and a powerless capital advertise creating in code law nations. Companies in common law nations get a huge sum of capital through open advertising of offers to a number of financial specialists, compared to companies in code-dwelling nations.

Introduction

In the era of rapid globalization with technological advances, capital market activities are required to be equal in providing the ability to produce information. Accounting is something that is seen in playing a role to produce information, which is useful for internal and external parties. The purpose of accounting is to provide information that can be used by decision makers to make economic decisions. Accounting provides all activities carried out by the company to facilitate the centralized allocation of sources of funds by users (Scapens & Jazayeri, 2003; Huang et al., 2005). If this information can be relied on, limited resources can be allocated optimally and efficiently. International accounting extends general purpose accounting that is nationally oriented, in the broadest sense to international comparative analysis, measurement of its unique accounting reporting issues for multinational business transactions, accounting needs for international financial markets, and harmonizing the diversity of financial reporting through political, organizational, professional and standards-setting activities. International accounting is accounting for international transactions, the comparison of accounting principles between different countries and the harmonization of various accounting standards in the areas of tax authority, auditing and other accounting fields.

Accounting must develop in order to be able to provide the information necessary for decision making in the company for any changes in the business environment. Business globalization can be seen from free trade between countries which has resulted in the emergence of many multinational companies, this also affects the need for harmonization of a standard that applies to the whole world. Harmonization refers to the process of increasing the compatibility or suitability of accounting practices against the determination of large boundaries of various

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practices. It is hoped that these harmonization efforts will later be able to harmonize differences and facilitate global business operations (Buckley & Ghauri, 2004; Clegg et al., 2003).

The accounting function is thus important in business and financial life, indicating that accounting in the business or international society performs a service function. Accounting must be responsive to the changing needs of society and must reflect the cultural, economic, legal, social and political conditions of the society in which it operates. Thus, accounting must remain in a position that is technically and socially useful. International accounting is accounting for international transactions, the comparison of accounting principles between different countries and the harmonization of various accounting standards in the areas of tax authority, auditing and other accounting fields. Accounting must develop in order to be able to provide the necessary information in making decisions in the company for any changes in the business environment (Springer & Borthick, 2004; Schaltegger & Burritt, 2010).

Factors Affecting the Development of the World of Accounting International accounting is the accounting for international transactions, the comparison of accounting principles between different countries and the harmonization of various accounting standards in the areas of tax authority, auditing and other accounting fields.

Accounting must develop in order to be able to provide the necessary information in making decisions in the company for any changes in the business environment. Some of the characteristics of the global economic era that exist in international accounting include international business, the loss of boundaries between countries. The global economic era is often difficult to identify the country of origin of a product or company, this happens to multinational companies, dependence on international trade. (Dicken, 2003; Bae & Lawler, 2000).

According to Choi & Meek (2008), there are three main forces that push the international accounting sector into a growing international dimension, namely environmental factors, internationalization of the accounting discipline, and internationalization of the accounting profession. Challenges for the accountant profession in developing accounting skills and competencies. Understanding Cross Functional Linkages, accountants are not only quite proficient in accounting techniques, procedures and standards but must also be accustomed to viewing business as an integrated form. Such as: product quality, production flexibility and the ability to produce and export quickly in order to win global competition, financial analysis and comparison.

The development of international accounting should be accompanied by the ability of individuals engaged in accounting to take part in advancing accounting. International accounting is a link between countries (Seidler, 1967). The eight factors that influence the development of international accounting must be well understood in order to create harmonization between transacting countries.

Sources of funding

In countries with strong equity markets, such as the United States accounting has a focus on how well management is running the company (profitability), and is designed to help investors analyze future cash flows and related risks. The disclosures are very complete to meet the broad public ownership requirements. Conversely, in a credit-based system where banks are the main source of funding, accounting focuses on protecting creditors through conservative accounting deductions in minimizing dividend payments and maintaining adequate funding to protect borrowers. Because financial institutions have direct access to whatever information they want, broad public disclosure is deemed unnecessary. Examples are Japan and Switzerland.

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Legal System

The western world has two basic orientations: code law (civil) and general law (cases). In code law countries, the law is a complete group that includes provisions and procedures so that accounting rules are combined in national law and tend to be very complete. In contrast, general law develops on a case-by-case basis without any attempt to cover all cases in the complete code. The main codification of law is derived from Roman law and Napoleon's code. In countries that adhere to the Latin-Roman legal codification system, law is a complete group that includes provisions and procedures. Codification of accounting standards and procedures is a natural and appropriate thing there. Thus, in countries that adhere to the codification of law, accounting rules are incorporated into national law and tend to be very comprehensive and include many procedures.

In contrast, general law develops on a case-by-case basis without any attempt to cover all cases in full code. Of course, there are basic laws, but they tend to be less detailed and more flexible than the general codification system. This encourages trial and error and allows judgment to be applied. General law is taken from British case law. In most common law countries, accounting rules are established by private sector professional organizations. This allows accounting rules to be more adaptive and innovative. Except for broad basic provisions, most accounting rules are not incorporated directly into the basic law. The codification of law (code of law) tends to be fixated on the content (content) of the economy. For example, leases under general law are not usually capitalized. Conversely, a lease under common law is basically capitalized if it becomes part of the property buyer.

Taxation

In most countries, tax regulations effectively set the standard because companies must record income and expenses in their accounts to claim it for tax purposes. In other words, financial tax and accounting tax are the same. In this case, an example is the case that occurred in Germany and Sweden. In other countries such as the Netherlands, financial and tax accounting are different: taxable profit is basically financial accounting profit adjusted for differences in tax law. Of course, when financial and tax accounting are separate, sometimes the tax code requires the application of certain accounting principles. An inventory valuation by last-in, first-out-LIFO in the United States is an example.

Political and Economic Bonds

Political & Economic factors greatly influence the development of international accounting because government policies and current economic conditions in a country can make accounting difficult to develop. Accounting ideas and technology are transferred by conquest, trade and similar power. The double-entry system of note-taking that began in Italy in the 1400s gradually spread in Europe along with other rannaissance ideas. British colonialism exported accountants and accounting concepts throughout British rule. The German occupation during World War II caused France to adopt the Plan Comptable. The United States enforced a US-style accounting regime in Japan after the end of World War II. Many developing countries use accounting systems developed elsewhere, either because they are imposed on these countries (such as India) or because of their own choice (such as Eastern European countries now imitating accounting systems according to European Union (EU) rules.

Inflation

Inflation causes distortions to historical cost accounting and affects the tendency (tendency) of a country to apply changes to company accounts.

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Economic Development Level

This factor affects the types of business transactions carried out in an economy and determines which are the most important. In turn, the type of transaction determines the accounting problem at hand. For example, executive compensation of stock-based companies or asset securitization is rare in an economy with an underdeveloped capital market. Today, many industrial economies are turning into service economies. Accounting issues such as valuing fixed assets and recording depreciation which are highly relevant in the manufacturing sector are becoming less and less important. New accounting challenges, such as valuation of intangible assets and human resources, are growing.

Level of education

Accounting standards and practices that are very complex (sophisticated) will be useless if they are misinterpreted and misused. For example, complex technical reporting on variants of cost behavior will mean nothing unless readers understand cost accounting. Disclosures regarding the risks of derivative securities will not be informative unless it is read by a competent party. Professional accounting education is difficult to achieve if the level of education in a country is generally low. Mexico is one example of a country where this problem has been successfully overcome. In other situations, a country must import training personnel or send its citizens to another country to obtain appropriate qualifications. This last thing is currently being implemented by China.

Culture

Here culture means the values and behavior shared by a society. Cultural variables underlie the institutional arrangements in a country (such as the legal system). Hofstede underlies four dimensions of national culture (social values); individualism, power distance, uncertainty avoidance, and masculinity.

His analysis is based on data coming from the employees of a large multinational company from the US operating in 40 different countries. In short, individualism is a tendency towards a loosely structured social order compared to one that is tightly structured and interdependent. Power distance is the extent to which hierarchy and power distribution within an institution and organization are unfairly accepted. Uncertainty avoidance is the extent to which society is uncomfortable with ambiguity and an uncertain future. Masculinity is the degree to which gender roles are differentiated and visible performance and achievement (traditional masculine values) are emphasized rather than relationships and concerns.

According to Hofstede, four dimensions of national culture, namely Individualism vs collectivism, are a tendency towards a loosely structured social order compared to one that is tightly structured and interdependent. Large vs Small Power Distance (power distance) is the extent to which the hierarchy and distribution of power in an institution and the distribution of power in an institution and organization is unfairly accepted. Strong vs Weak Uncertainty Avoidance is the extent to which society feels uncomfortable with ambiguity and an uncertain future. Masculinity vs femininity is the degree to which gender roles are differentiated and perceptible performance and achievement is emphasized over relationships and concerns. Choi & Meek (2008) describes a number of environmental factors that are believed to have a direct influence on accounting development.

Legal System

Codification of accounting standards and procedures seems natural and appropriate in code law countries. On the other hand, the formation of non-legalistic accounting policies by

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professional organizations working in the private sector is more in accordance with the system prevailing in common law countries (common law). In the law of war or other national emergency situations, all aspects of the accounting function may be governed by a number of courts or a central government agency. An example is in the days of Nazi Germany, when the preparations for war were intensive and then during WWII required a very uniform national accounting system to control all national economic activities in total.

Political System

The existing political system in a country also colors accounting, because the political system "imports" and "exports" accounting standards and practices. For example, British accounting, which existed at the turn of the 20th century, was "exported" to Commonwealth countries. The Netherlands did the same to the Philippines and Indonesia, France to its colonies in Asia and Africa. Germany uses political sympathy to influence, among other things, accounting in Japan and Sweden.

Nature of Business Ownership

Large public ownership of company shares implies different financial accounting reporting and disclosure principles from companies whose ownership is dominated by families or banks. For example, the very high public ownership of corporate shares in the US has resulted in what is called the Sunshine accounting standards of wide open disclosure, whereas the absence of public participation in corporate stock ownership in France has limited effective financial communication to "insider" channels of communication. only. The high bank ownership in Germany also results in a different accounting response. In the US, the AICPA makes specific recommendations for certain financial accounting standards and practices used by smaller, nonpublic companies.

Difference in size and complexity of business firms

The dichotomy between large and small companies continues, from insurance issues to the entire parent-subsidiary company hierarchy, including issues of complexity. Large conglomerates operating in very diverse lines of business require different financial reporting techniques from smaller companies producing a single product. Multinational companies also need an accounting system that is different from the accounting system for domestic companies.

Social Climate

The social climate also contributes to the development of accounting in various parts of the world. In France, it leads to social responsibility reporting, on the other hand, in Switzerland it is still very conservative, so that the large Swiss companies report relatively concise financial conditions. Italians are still very tax-oriented, and even in some Eastern and Southern American countries accounting is synonymous with bookkeeping and is considered socially unsuitable.

Competency Level of Business Management and Financial Community

The competence or ability of business management and users of accounting output will greatly determine the development of accounting. Because no matter how sophisticated and great the accounting output is, if business management and users cannot read, interpret and understand it, it will be of no use.

Legislative Business Intervention Level

Taxation regulations may require certain accounting principles. As in Sweden, where certain tax concessions have to be recorded in an accounting manner before they can be claimed for

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tax purposes; this is also the situation for the US LIFO method inventory valuation. Various social protection laws also influence accounting standards. An example is the obligation to pay severance pay in several South American countries.

Accounting Legislation

In some cases, there are specific legislative rules for specific accounting rules and techniques. In the US, the SEC determines disclosure and accounting standards for large companies, with reference to the FASB.

Speed of Business Innovation

Initially, the activities of mergers and acquisitions were not taken into account in accounting, but due to the fact that business mergers were so popular in Eros, accounting was forced to develop to meet the needs of those concerned.

Economic development stage

Countries that still rely on the agricultural economy require different accounting principles from developed industrial countries. In agricultural countries, the level of dependence on credit and long-term business contracts may still be small. So sophisticated accrual accounting is useless and what is needed is simple cash accounting.

Economic growth patterns

Stable economic conditions encourage increased competition over existing markets so that it requires a stable accounting pattern and will be much different in a country whose conditions are experiencing prolonged war.Status Pendidikan dan Organisasi Profesional

In the absence of organized and resourceful accounting professionalism

A country's local accounting authority, standards from another area or country may be used to fill the gap. The adaptation of accounting factors from the UK was a significant environmental influence in world accounting until the end of WWII. Since then, the international adaptation process has turned to US sources. Accounting developments, whether originating in the country itself or adapted from other countries, will not be successful unless environmental conditions such as those listed above are fully considered.

As with the business world in general, accounting practices and disclosure of financial information in companies in various countries are influenced by various factors. Radebaugh and Gray (1997: 47) state that there are at least twelve factors that influence the company's accounting system. These factors are the nature of company ownership, business activities, sources of funding and capital markets, the tax system, the existence and importance of the accounting profession, accounting education and research, the political system, the social climate, the rate of economic growth and development, the inflation rate, the legal system. invitations, and accounting rules. In more detail, Radebaugh and Gray explain the relationship between the aforementioned factors and the company's accounting system.

The nature of company ownership

The need for disclosure of information and accountability to the public is greater in companies that are publicly owned than in family companies.

Business activities

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The accounting system is influenced by the type of business activity, for example, different agribusinesses from manufacturing, or small companies that are different from multinational companies.

Sources of funding

The need for disclosure of information and accountability to the public is greater in companies that receive funding from external shareholders than in companies with funding sources from banks or family funds.

Tax system

Countries such as France and Germany use corporate financial reports as the basis for determining income tax debt, while countries such as the United States and United Kingdom use financial reports that have been adjusted to tax regulations as the basis for determining tax debt and are submitted separately from financial reports for shareholders. .

The existence and importance of the accounting profession

The accounting profession that is more advanced in developed countries also makes the accounting system used more advanced than in countries that still apply a centralized and uniform accounting system.

Accounting education and research

Good accounting education and research is lacking in developing countries. Professional development is also influenced by quality accounting education and research.***Sistem politik***

Sistem politik yang dijalankan oleh suatu negara sangat berpengaruh pada sistem akuntansi yang dibuat untuk menggambarkan filosofi dan tujuan politik di negara tersebut, seperti halnya pilihan atas perencanaan terpusat (central planning) atau swastanisasi (private enterprises).

Social climate

The social climate is defined as an attitude towards respect for workers' rights and concern for the environment. Information relating to these matters is generally influenced by the social system. Changes in the structure of the economy from agrarian to manufacturing will show another side of the accounting system, among others, by starting to take into account the depreciation of machines. The service industry also raises considerations on the recording of intangible assets such as brands, goodwill and human resources. The emergence of hyperinflation in several countries in the South American region led to the idea of using another approach as an alternative to the historical cost approach. In countries such as France and Germany that use civil codes, the accounting rules used tend to be detailed and comprehensive, in contrast to the United States and Britain which use common law.

The accounting standards and rules set in certain countries are certainly not entirely the same as other countries. The role of the accounting profession in determining accounting standards and rules is more commonly found in countries that have included professional rules in corporate rules, such as in the UK and the United States. Meanwhile Christopher Nobes and Robert Parker (1995: 11) explain the existence of seven factors that cause important international differences in the development of accounting systems and practices. These factors include the legal system, owners of funds, the influence of the tax system, and the stability of the accounting profession, inflation, accounting theory, and accidents of history.

Development of Accounting in a Market Oriented Economy

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Maceconomics-oriented financial accounting may formally recognize the discovery value of minerals or petroleum deposits, calculate depreciation charges on productive equipment by unit of production, and permit the rapid elimination of certain costs if this is in the interest of regional or national economic development.

Microeconomic Patterns

Market-oriented economies, including ones that are not subject to much interference by the central government administration, entrust a large part of the economic welfare to the business activities of individuals and individual business enterprises. Thus, in this economy, there is a fundamental orientation that leads to every cell of economic activity. It is so entrenched in western economic organizations that this orientation applies to many business, legal, legislative and social processes.

With private and business activities at the core of affairs in a market-oriented economy and with accounting performing a service function for businesses and business firms, it seems only natural that accounting will orient dirinya kepada pertimbangan-pertimbangan mikro yang sama, yang telah terbentuknya secara mapan dalam lingkungannya. Beberapa pernyataan yang berkaitan dengan pola ini menyangkut perusahaan menyediakan titik-titik vokal bagi aktivitas-aktivitas ekonomi, kebijakan utama perusahaan bisnis adalah untuk Ensuring its survival, optimization in an economic sense is the company's best policy for survival. Accounting, as a branch of business economics, derives its concepts and applications from economic analysis. The main accounting concept in the development pattern based on microeconomics is that the accounting process must maintain constant the amount of monetary capital investment in the firm in real value.

Independent Discipline

Regarding accounting as a service function of the business provides ample room to conclude that accounting can construct itself a useful framework that is filtered from the business processes it serves. If this is possible, then conceptual support from a discipline such as economics is unnecessary. Accounting, in other words, relies on itself to be an independent discipline. The initial classification adopted was that of Mueller in the mid-1960s. 1a identifies four approaches to the development of accounting in Western countries with a market-oriented economic system.

Based on a macroeconomic approach

Accounting practices are established and designed to enhance national macroeconomic goals. The company's objectives are generally to follow rather than lead national policies, because business firms coordinate their activities with national policies. Hence, for example, a national policy of stable employment by avoiding large changes in the business cycle would result in accounting practices that smooth out profits. Or, to encourage the development of certain industries, a country can allow the rapid elimination of capital expenditures in some of these industries. Accounting in Sweden develops and approaches macroeconomics.

Based on a microeconomic approach

Accounting develops from microeconomic principles. The focus lies on the individual company whose goal is to survive. To achieve this goal, companies must maintain their physical capital. It is equally important that the company clearly separates capital from profit in order to evaluate and control business activities. Accounting measures based on accounting costs are strongly supported because they are most compatible with this approach. Accounting in the Netherlands developed from microeconomics.

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Based on an independent approach

Accounting originates and practices business and develops on an ad hoc basis, on a basis of incremental and judgmental, trial and error. Accounting is seen as a service function whose concepts and principles are taken and the business processes that are carried out, are taken from branches of science such as economics. Businesses face real-world complexities and perpetual uncertainty through experience, practice and intuition. Accounting develops in the same way. For example, profit is simply the most useful thing in practice and discloses in a pragmatic way to answer the needs of users. Accounting developed independently in Britain and the United States.

Based on a uniform approach

Accounting is standardized and is used as a tool for administrative control by the central government. Variety in measurement, disclosure, and presentation make it easier for government designers, tax authorities and even managers to use accounting information to control all types of businesses. In general, a uniform approach is used in countries with large government involvement in economic planning where accounting is used to measure performance, allocate resources, collect taxes and control prices, among others. France, with its uniform national accounting chart, is a major proponent of a uniform approach. Legal System: General Legal Accounting with Code Law.

Accounting can also be classified according to a country's legal system. This view has dominated accounting thinking for the last 20 years or so. Accounting in general law countries has the character of being oriented toward "fair presentation," transparency and full disclosure and the separation between financial and tax accounting. The stock market dominates financial sources and financial reporting is aimed at the information needs of outside investors. Accounting standard setting tends to be a private sector activity with an important role played by the accounting profession. General legal accounting is often referred to as "Anglo Saxon," "British-Arctic," or "on a microsurgery basis." General legal accounting originated in the UK and was later exported to countries such as Australia, Canada, Hong Kong, India, Malaysia, Pakistan and the United States.

Accounting in code law countries has characteristics of legalistic orientation, does not allow less disclosure, and the compatibility between financial and tax accounting. Banks or the government ("insiders") dominate financial sources and financial reporting is intended for creditor protection. Accounting standard setting tends to be a public sector activity with relatively little influence from the accounting profession. Code law accounting is often referred to as "continental," "legalistic," or "macro uniform." It is found in most Continental European countries and their former colonies in Africa, Asia, and America.

Assigning an accounting character parallels what is called the "shareholder" and "interested party" model (or managing companies in common law and code law countries. A country's legal system and its financial system can be linked in a causal relationship. A legal system in Common law emphasizes shareholder rights and offers stronger protection

The law protecting outside investors is legally highly enforced. The result is a strong capital market developing in common law countries and a weak capital market developing in code law countries. Companies in general law countries obtain a large amount of capital through public offering of shares to a number of investors, compared to companies in code-dwelling countries. Because investors have a fair position with the company, there is a demand for accounting information that accurately reflects operating performance and financial position. Public

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disclosure resolves the problem of unbalanced (asymmetric) information between companies and investors.

Dominant Countries in the Development of Accounting Practices

In its development, France and Japan were still less dominant than the United States. This can be seen from the development of Japanese accounting which in its current development is based on the existing IFRS. International accounting is an international dimension in accounting as users (users), matters relating to accounting problems from an international perspective (global) as well as accounting rules and standards in several countries. In its development, international accounting has a significant influence on several countries.

Sources of funding

The United States and United Kingdom have strong equity markets, have a focus on how well management is running the company (profitability) and are designed to help investors to analyze future cash and risk, whereas credit-based systems focus on protecting creditors through conservative accounting measures. For example, Japan and Switzerland that disclose public disclosure is considered unnecessary because financial institutions have very broad access to the desired information.

Taxation

Germany and Sweden determine tax regulation effectively by setting accounting standards because companies must record income and expenses in a tax claiming account. The Netherlands determines taxable profit based on financial accounting profit

Political and Economic Bonds

Starting on the ropes and spreading in European countries along with the idea of renewal. The UK exports accountants and accounting concepts to its territories. America enforces US-style accounting regimes in Japan and many countries use accounting systems developed elsewhere either by force or by choice.

Information

Inflansi influences the tendency of a country to apply price changes to the company's accounts. Israel, Mexico, and several countries in South America use general price level accounting because of their experience with hyperinflution.

Accounting Classification And Can Compare Them

The classification is how to distinguish the classification or comparison of the national and regional financial accounting systems. Classification is the basis for understanding and analyzing why and how national accounting systems differ. We can also analyze whether the systems tend to coalesce or differ.

The purpose of classification is to classify the financial accounting system according to its specific characteristics. Classification expresses the basic structure in which group members have in common and which distinguishes diverse groups from one another. By recognizing similarities and differences, our understanding of the accounting system will improve. Classification is a way of seeing the world. Basis of International Accounting Classification International accounting classification can be done in two ways. Deductive approach is identifying relevant environmental factors and linking them to national accounting practices, international grouping or proposed development patterns. The Inductive approach is the practice of individual accounting is analyzed, development patterns or groupings are identified

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and at the end an explanation is made from the point of view of economic, social, political and other factors.

The Difference between Fair Presentation And Compliance With The Law And The Country Where It Is Dominant

The difference between fair presentation and legal compliance has a profound effect on many accounting problems. General legal accounting is oriented towards the need for decision making by outside investors. Legal compliance accounting is designed to meet government imposed requirements such as calculating taxable profit or complying with a national government economic plan. After 2005, all European companies that list their shares will use fair presentation accounting in their consolidated statements because they will use IFRS. Legal compliance accounting is designed to meet government imposed requirements such as calculating taxable profit or complying with a national government economic plan.

Differences in fair presentation and compliance with the law are subject to many problems. This concerns adjustments made to the application of IFRS as a basis for presentation. Some of the problems include; Depreciation, where expenses are determined based on the decrease in the usefulness of an asset during its economic useful life; Leases that have the substance of the purchase of fixed assets (property) are treated as such (fair presentation) or are treated like ordinary operating leases (legal compliance); Retirement at costs that are accrued when the employee is generated (fair presentation) or charged on a paid basis at the time of your retirement (legal compliance).

Important Issues of Differences in Fair Presentation and Compliance with Laws

An important issue that occurs today is about the application of IFRS as a basis for presentation. So that countries that have not made a fair presentation make adjustments to their reports. The difference between fair presentation and legal compliance has a profound effect on many accounting problems. General legal accounting is oriented towards the need for decision making by outside investors. Legal compliance accounting is designed to meet government imposed requirements such as calculating taxable profit or complying with a national government economic plan. After 2005, all European companies that list their shares will use fair presentation accounting in their consolidated statements because they will use IFRS.

There are several reasons why many accounting differences at the national level are becoming increasingly lost, namely that the importance of the stock market as a source of finance is increasingly being felt around the world. Capital is increasingly global in nature, so it demands a company financial reporting standard that is recognized worldwide. Multiple financial reporting is now commonplace. One set of reports is in accordance with local domestic financial reporting requirements, while the other uses accounting principles and contains disclosures aimed at international investors. Several countries that adhere to the codification of law, particularly Germany and Japan, shift the responsibility for setting accounting standards from the government to professional and independent private sector groups. This makes the standard-setting process similar to the process in common law countries. And it is seen as a way to more actively influence the IASB's agendas.

Conclusion

International accounting is accounting for international transactions, the comparison of accounting principles between different countries and the harmonization of various accounting standards in the areas of tax authority, auditing and other accounting fields. Accounting must develop in order to be able to provide the necessary information in making decisions in the company for any changes in the business environment. International accounting extends

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general purpose accounting that is nationally oriented, in the broadest sense to international comparative analysis, measurement of its unique accounting reporting issues for multinational business transactions, accounting needs for international financial markets, and harmonizing the diversity of financial reporting through political, organizational, professional and standards-setting activities.

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