

Implementation of international accountancy patterns in Greece, differences detected in accountancy conditions and aggregations.

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Abstract

The paper analyses International Accounting Standards and the changes they brought to the implementation of accounting in Greece. It is divided into four parts. In the first part, we analyze the notion of accounting principles and accounting standards, the aim and the importance of their establishment, their advantages and disadvantages, and the concepts relates to the accounting standards. In the second part, we present International Accounting Standards, the groups in change of establishing them, the laws that refer to them, as well as, the consequences and the difficulties of their implementation. In the third part, we present three International Accounting Standards, IAS 36, IAS 38 and IAS 39, we refer to the Greek Accounting Standards, and find the similarities and differences between them. In the last part, we place the concluding remarks, and discuss about the future and the prospect of the International Accounting Standards.

Keywords: accounting standards ,consequences ,implementation similarities and differences.

JEL Classifications: M41, M42

1.1 Accounting and its principles

Accounting is the method of recording, taxing and brief presentation of transactions and facts, in a transparent and way and in money measure, as long as explaining their results (A.I.C.P.A., 1941). In the past attention was given more to the technical side ,thus to the analysis of the mechanism of double-writing , to the method of working, to many functions and use in the accounting system to the process and method of compiling economics. The last decades the use of modern machinable methods liberated accounting from the mechanical part and broadened its field. As a result attention was paid in enunciating general principles and analyzing terms and methods ,used in accounting.

The principle virtues of accounting are aiming lines and a result of yearly experience , study and practical need.

Most important accounting virtues are:

The virtue of self-being accounting, the virtue of money measurement, the virtue of objectiveness, the virtue of money stability, the virtue of full revelation, the virtue of cost ,the virtue of financial action, the virtue of periodicity, the virtue of gains, the virtue of

costs, equivalent to the gains, the virtue of correlating gains and costs, the virtue of conservatism, the virtue of comparing.

1.2 Nature of accounting pattern.

Accounting patterns are often altered some are erased ,others are added. Accounting patterns consist on three parts:

1. Description of the problem faced.
2. The analysis of likely solutions, very probably with exploration of bibliography
3. The given solution

In general, the accountant model and special controlling models are limited in the third piece, firing many discussions on the lack of report in the theory. The general rule in any case, for the accountant models is that they include parts 1 and 2, providing the theoretical background of solution.

The main reasons for establishing the models are the followings:

1. They provide users with information for the financing place and the record of company. This information is explicit, reliable and comparable.
2. They provide directives and rules in the accountants.
3. They provide the governments with bases of data on a lot of variabilities that are considered essential for the mapping out of tax policies, the legislation that concerns the enterprises, the planning and the regulation of economy and other social objectives.
4. They increase the general interest for the theories that concern the accountancy, and they fire discussions in enterprising and academic circles.

1.3 The objectives of establishment of accountant models

Today, the need of application of Accountant Models is rendered, in private and in the public sector, in national and international level (Kabbes, 1965). The reason is that with the opening of capital markets and money-markets, the possibilities of lending of enterprises of private sector have been internationalised.

The published economic situations of enterprises, become an object of examination in different countries.

With the application of International Accountant Models the comparability between the accountant situations that are drawn up by various enterprises is ensured. This objective is achieved via the restriction of breadth and the variety of differences located in alternative accountant practices, with regard to the subject of quantification.

The use of accountant models in regard to the published information facilitates the presentation of philosophy that is followed at the management of accounts. Via the utilisation of accountant models, the accountant situations acquire bigger cohesion, after their syntax supports itself in a total of models and processes where a continuity and consequence exist consequently are avoided contradictions and oppositions.

The establishment of international accountant models aims in the creation of conditions for a completed and effective market of capital, via the increase of possibility of comparison of situations in the united market, so they are facilitated with the way of competition and the circulation of capital.

In March 2002 it was decided that the all models published by the I.A.S.B will be named International Models of Financing Information. The models that had been published by the I.A.S.C at period 1973 - 2001, are named International Accountant Models.

1.4 The meaning of International Accountant Models in Accounting.

The obligatory application of International Accountant Models for many people, constitutes the second bigger revolution in the space accountant after the establishment of General Accountant Drawing and accountant standardisation imposed in the observation of accountant books.

International Accountant Models constitute the coding of accountant beginnings, rules and policies that should be followed from the accountants and the administrations of enterprises at the syntax of their economic situations. The objective of International Accountant Models is the beginning and rules that are same for the enterprises all over the world. Provided that we live in the season of globalisation, enterprises are activated in a lot of countries and their course influences many people that depend from them. The accountancy follows the same example.

1.5 Significances related with the accountant models.

ACCOUNTANT HARMONISATION

The significance of harmonisation of accountant models is often confused with the significance of absolute standardization, while they have different results. The harmonisation is more practical, while the standardization means that the accountant processes of one country can be also adopted from other. The harmonisation concerns the most effective transmission of information in a form that could be interpreted internationally (Wilson, 1969).

The harmonisation is more realistic and has bigger probabilities to become acceptable. Each country aims at her own total of rules and in national level. The harmonisation proposes reconcile the national particularities.

ACCOUNTANT STANDARDISATION

The aim of accountant standardisation is the exercise of accountancy in an enterprise, a branch, a country but also in international scale. It contributes in the control of arbitrary confrontation of accountant subjects and in the minimisation of degree of subjectivity of accountant work. Its purposes are:

- The standardisation and the united operation of accounts
- The utilisation of united rules of assessment of financial elements
- The united appearance of accountant situations that the enterprises publish.

1.6 International accountant models and international models of financing information.

Today we use the International Accountant Models, the International Models of Financing Information and the Interpretations. All Models were established until March 2002 are named International Accountant Models and all new models adopted afterwards are named International Models of Financing Information. For a big period of time until the

complete replacement of International Accountant Models from new International Models of Financing Information ,the two terms will be used equivalent.

1.7 Advantages and disadvantages from the adoption of International Accountant Models.

The advantages and disadvantages from the adoption of International Accountant Models are summarized below:

Advantages:

- Comparing enterprises with enterprises of other countries. This has important positive consequences for the investors, but also for the enterprises that can rival in international level.
- As for the expectations created by their application, the enterprising world appreciates that their place in the market will be improved and at the same time will be facilitated the effort of attracting of foreigner investors.
- the flow of capital between countries will be strengthened and increase the agreements of repurchases and fusions.
- The adoption of International Accountant Models is expected to increase the transparency of operation of enterprises, because of the obligation of the last ones to publicise all the aspects of their activity without exception.
- International Accountant Models are considered to provide useful information for the decision-making and arise dangers and other important subjects, they facilitate the internationalisation of enterprises and improve their economic faculty.

Disadvantages:

- big cost of application, because education of personnel is required.
- the executives of enterprises have not absorbed completely the International Accountant Models.
- the new models lead to increased fluctuation of accountant profits and increased complexity of economic elements.
- lack of sufficient guidance, insufficiency of accountants and controllers, lack of uniformity in the application and important margins of creative accountancy.
- the tax regulations are deprived plenitude and simplicity, while they leave margins of contestations on behalf of the tax bodies.
- not completed harmonisation of institutional - legislative environment.
- not sufficient briefing of controllers and accountants regarding their technical details of application.
- For the multinational enterprises costs of translation exist, observation of more files, multiple economic situations because affiliated etc (Schoenfeld, 1981).
- the flexibility of administration is decreased .

1.8 Main organs of training to International Accountant Models.

Committee of International Accountant Models

The committee was recommended in 1973 with agreement of professional organisms of accountancy of countries of Australia, France, Canada, Mexico, Ireland, Holland, United States of America and England.

The committee was in charge for the publication of Accountant Models. For the achievement of this aim 13 members of partial employment existed, which emanated from a wide spectrum of cognitive objects. In March 2002, the Committee of International Accountant Models advanced

in rearrangement its way of operation, taking into consideration the proposals of study of committee titled "Proposals on the layout of I.A.S.C. in the future".

The result of rearrangement was the reconstitution of I.A.S.C. not as a speculative organism seated on the state of Delaware of I.P.A. The mother company of Body of International Accountant Models is seated in London, the independent beginning which has the responsibility of training and publication of Accountant Models.

International Accountant Models serve the following objectives:

- the creation of total comprehensible, and high quality of International Accountant Models for the common interest, which requires transparent, comparable and high quality information in the economic situations and the remaining financing reports, so that they can help participation in the world capital markets and other users in their economic decisions
- the promotion of use and the meticulous application of these models, and
- the convergence of national accountant models with the International Accountant Models and the International Models of Financing Information as to achieve solutions of high quality.

Body of International Accountant Models

Its basic competences is the complete responsibility for the growth and publication of International Models of Financing Information, as well as preliminary drafts of models. Before the publication of each Model, the Committee is supposed to publish a preliminary draft of Model, which will be placed in the disposal interested for comments.

Advisory Committee of Models

It is constituted from 30 or even more members. For the achievement of its aims they three what regular public meetings with the I.A.S.B. are forecasted per year, aiming at. the benefit of advices to the I.A.S.B. with regard to the running work and the information of I.A.S.B. for the repercussions of proposed models in the use of them.

The members of S.A.C. emanate from different geographic regions and different professional spaces, and are named for time interval of three years.

Committee of interpretation of International Models of Financing Information

The fundamental role of IFRIC is to examine, on the general frame of International Models of Economic Reports and the Organisation of IASB, by accountant questions which are likely to have deviating or not acceptable confrontation because of the absence of valid guidance, in order to reach the unanimity for the suitable accountant confrontation.

2.1 Content of International Accountant Models

International Accountant Models are the following:

- 1: Presentation of Economic Situations
- 2: Reservations

- 7: Situations of Financial Flows
- 8: Accountant Policies, Changes in the Accountant Estimates and Errors
- 10: Facts after the date of Balance-sheet
- 11: Constructional Conventions
- 12: Taxes of Income
- 14: Economic Information At Sector
- 16: Corporal Constant
- 17: Hirings
- 18: Income
- 19: Benefits of Workers
- 20: Accountancy of Subsidies of Notification of Government owned Support
- 21: The Effects of Changes in the Rates of Exchange
- 23: Cost of Lending
- 24: Notifications of Connected Parts
- 26: Accountancy and Information of Programs of Benefits of Retirement from the Service
- 27: Unified and Individual Economic Situations
- 28: Investments in Relatives Enterprises
- 29: Presentation of Economic Elements in Economies
- 30: Notifications in the Economic Situations of Banks and Similar Financing Institutions
- 31: Investments in Consortia
- 32: Financing Means: Recognition and Assessment
- 33: Profits per Action
- 34: Intermediary Economic Situations
- 36: Reduction of Value of Elements of Asset
- 37: Forecasts, Potential Obligations and Intermediary Requirements
- 38: Elements of Asset
- 39: Recognition and Assessment
- 40: Investments in Real estates
- 41: Agriculture

The International Models of Financing Information are:

- 1: First Application of OMFI
- 2: Payments Based on Participative Titles
- 3: Unifications of Enterprises
- 4: Actuarial Conventions
- 5: Constant Elements of Asset Possessed to Sale and Interrupted Activities
- 6: Research and Evaluation of Mining Resources
- 7: Financing Means: Notifications

International Accountant Models can be applied from almost all enterprises. Despite the fact that they have been drawn and reported mainly in transactions of speculative enterprises, nevertheless they can constitute a base of report and for companies of not speculative aim. Their aim is to assist the users to comprehend a complete line of economic situations and to improve their faculty to proceed in efficient economic situations.

The European committee has set many regulations concerning the International Accountant Models.

2.2 The Greek legislation

The need to find a way of right information of shareholders has occupied all the economists in the world involved with the economic unit, that led in developed models, for the common interest, high quality, comprehensible and applicable that would be objective and

completely independent from the local tax beginning. The economic information that is given by the enterprises is adapted in the requirements of local tax beginnings. This creates problems in the investors but also in the shareholders of companies as it does not show the real economic picture of enterprises but the tax picture. Also the differences of tax beginnings from country in country, create erroneous impressions for a economic unit, negative or positive. With the application of models in more countries or regions of planet publics acceptable accountant practices are created that are appreciated from a big crowd of persons and thus deter the anarchy that exists even today in the world economic fixation.

2.3 Who is influenced by the application of International Accountant Models.

The application of International Accountant Models influences the internal, as long as the exterior users of enterprises . These users are the following:

- Accountants
- Economic Directors
- Administration
- Address of Management
- Directors of Production
- Directors of Personnel
- Tax consultants
- Analysts
- Investors
- The state
- The personnel

The aim of economic situations is to provide information on the economic place, the output and the changes in the economic place of enterprises useful in wider circle of users in order to take economic decisions. With the application of International Accountant Models the economic situations of enterprises are altered. Consequently, more interest appers for the changes that will involve the International Accountant Models.

2.4 The future of International Accountant Models

International Accountant Models are perhaps the bigger challenge that the accountant science faced. Their application is enough in order to be considered progress. However, in the future the International Accountant Models will have gain two bets.

The first bet concerns their adoption not only from the big enterprises, as today, but also from the small to medium-sized enterprises. Consequently the next big step is the real standardization of accountancy from all the enterprises, independent size.

The second bet that the International Accountant Models should gain is their harmonisation with US GAAP. Only in this case with the same accountant beginnings, methods and policies in all the world, we might speak for real globalisation of capital markets.

3. Conclusions

The last decades, the utilisation of evolved computer means, freed the accountancy from its mechanistic part and gave the possibility of enlargement of its field. Thus, the attention was turned mainly in the

formulation of general means. The bigger challenge faced by the accountant science, is the establishment of single rules internationally. The means in order to achieved this convergence are the International Accountant Models. International Accountant Models constitute the coding of accountant means, rules and policies that should be followed from the accountants and the administrations of enterprises at the summary of their economic situations. The objective of I.A.M. is that the means and rules are the same to all enterprises in the world.

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