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INDIAN ACCOUNTING VS INTERNATIONAL ACCOUNTING

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ABSTRACT

Because International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) are widely accepted, it is timely to study their technical determinants as well as their consequences for the accounting profession and the accounting harmonization process. In this case, In this regard, we propose that the principles-based approach to standards, as well as its internal flexibility, be used. facilitates the implementation of IAS/IFRS to nations with differing accounting traditions institutional circumstances Furthermore, the principles-based approach necessitates significant modifications in the accountants' knowledge and, as a result, their educational background, training programmes, and in Accountancy firms' organizational and business models. Finally, we submit that the standards set by the IAS/IFRS constitute a step forward in the process of accounting harmonization, although there is still far to go in the comparability of accounting measures across countries and regions. In the paper we discourse to study of International Financial Reporting Standard & Indian Accounting Standard and understand the procedure for issue of International Financial Reporting Standard & Indian Accounting Standard.

Keyword: International Accounting Standard, Indian Accounting standard,
Procedure, Financial Reporting, Performance.

INTRODUCTION

Accounting Standards are employed as regulatory frameworks for financial report creation in practically every country throughout the world. Accounting standards are written policy guidelines published by an expert accounting body, the government, or another regulatory entity that encompass the accounting process. Elements of accounting recognition, measurement, treatment, presentation, and disclosure in the financial statement, there is a transaction. The goal of accounting standards is to standardize the accounting process, various accounting policies and procedures with the goal of reducing no comparability of financial statements and increasing financial statement reliability.

Because a company with a presence in multiple countries must compile financial reports in accordance with the GAAP of the country in which it operates, the rapid rise of international trade and internationalization of firms necessitates global harmonization of accounting standards. In this case, Companies in the global business world require a common accounting language.

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A global accounting standard in the form of a harmonized accounting standard In India, the Institute of Chartered Accountants of India (ICAI) established the Accounting Standards Board (ASB) in 1977, with the task of developing accounting standards. Accounting standards will be issued and amended throughout the country on a regular basis. Despite the fact that ASB is shaped by ICAI, it is self-contained in its composition. Accounting principles ASB is made up of members from diverse fields and organizations. It also takes into account the local customs, usages, and business environment while developing the standards, the country.

OBJECTIVES OF THE STUDY

- ✓ To observe of International Financial Reporting Standard & Indian Accounting Standard.
- ✓ To recognize the manner for difficulty of International Financial Reporting Standard & Indian Accounting Standard.

PROCEDURES AFTER AN IFRS IS ISSUED

The IASB develops high-quality financial reporting standards to We strive to meet the demand for better quality information of value to our user's financial report. When determining whether a proposed agenda item is communicated to the user, The Board needs to consider:

- ✓ The relevance of the information to the user and the reliability of the information we can provide. offer,
- ✓ Availability of existing guidance;
- ✓ potential for increased convergence;
- ✓ The quality of the IFRSs developed;
- ✓ Resource constraints.

Revisions to the IASB's conceptual framework for financial statements may introduce new issues. The IASB also raises and discusses possible agenda items, taking into account the opinions of other standard makers and other stakeholders, the IASB and IFRS Interpretation Committees, and personnel investigations suggestion.

PLANNING THE PROJECT

When an item is added to the active agenda, the IASB decides whether to proceed with the project alone or with other standard developers. In both cases follow a similar appropriate procedure hit. When considering adding an item to the active agenda, the Board ensure that one meet the criteria for inclusion in the annual improvement process that The IASB evaluates issues based on the following criteria:

- ✓ Explanation.
- ✓ Modifications.
- ✓ The proposed results are well defined and narrow enough. Changes have been reviewed.
- ✓ All criteria must be met to complete on time and qualify for inclusion in the annual report improvement

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When this evaluation is made, the alterations remembered for the yearly enhancements process will follow something very similar fair treatment as other IASB projects. The essential goal of the yearly upgrades process is to improve the nature of IFRSs by revising existing IFRSs to explain direction and phrasing, or adjusting for moderately minor unseen side-effects, clashes or oversights. Subsequent to thinking about the idea of the issues and the degree of interest among constituents, the IASB might set up a functioning gathering at this stage and a task group for the task will be chosen. The task chief draws up an undertaking plan under the oversight of the heads of the specialized staff and the venture group may likewise incorporate individuals from staff from other bookkeeping standard-setters, as considered suitable by the IASB.

DEVELOPING AND PUBLISHING

The conversation paper a conversation paper is certifiably not a compulsory advance in the IASB s fair treatment. Regularly the IASB distributes a conversation paper as its first distribution on any major new theme as a vehicle to clarify the issue and request early remark from constituents. In the event that the IASB chooses to preclude this progression, it will express its reasons. Normally, a conversation paper incorporates thorough outline of the issue, potential methodologies in resolving the issue, the starter perspectives on its creators or the IASB, and a challenge to remark.

This methodology might contrast on the off chance that another bookkeeping standard-setter fosters the exploration paper. Conversation papers might result either from an examination project being directed by another bookkeeping standard-setter or as the main phase of a functioning plan project did by the IASB. On the off chance that examination has been performed by one more bookkeeping standard-setter, issues connected with the conversation paper are talked about in IASB gatherings, and distribution of such a paper requires straightforward larger part vote by the IASB. In the event that the conversation paper incorporates the fundamental perspectives of different creators, the IASB surveys the draft conversation paper to guarantee that its examination is a suitable premise on which to welcome public remarks.

For conversation papers on plantings that are under the IASB s course, or incorporate the IASB s fundamental perspectives, the IASB fosters the paper or its perspectives based on Analysis drawn from staff research and proposals, just as ideas made by the IFRS Advisory Council, working gatherings and bookkeeping standard-setters and introductions from welcomed parties. All conversations of specialized issues connected with the draft paper occur in open meetings. When the draft is finished and the IASB has endorsed it for distribution the conversation paper is distributed to welcome public remark.

DRAFT THE IFRS

Distribution of an openness draft is a compulsory advance in fair treatment. An openness draft is the IASB s primary vehicle for counselling general society. Not at all like a

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conversation paper, has an openness draft set out a particular proposition as a proposed IFRS (or correction to an IFRS). The advancement of an openness draft starts with the IASB thinking about issues on the premise of staff exploration and suggestions, just as remarks got on any conversation paper, and ideas made by the IFRS Advisory Council, working gatherings and bookkeeping standard-setters and emerging from government funded schooling meetings. Subsequent to settling issues at its gatherings, the IASB trains the staff to draft the openness draft. At the point when the draft has been finished, and the IASB has balloted on it, with at least nine votes important to distribute an openness draft, the IASB distributes it for public remark. An openness draft contains an encouragement to remark on a draft IFRS or draft change to an IFRS that proposes necessities on acknowledgment, estimation and revelations.

The draft may likewise incorporate obligatory application direction and execution direction, also will be joined by a reason for ends on the proposition and the other option perspectives on disagreeing IASB individuals (assuming any). The IASB typically permits a time of 120 days for input on an openness draft. Assuming the matter is astoundingly dire, the archive is short, and the IASB accepts that there is probably going to be an expansive agreement on the point, the IASB might consider a remark time of something like 30 days, yet it will set such a short period solely after officially mentioning and acquiring earlier endorsement from 75% of the Legal administrators. The venture group gathers rundowns and examinations the remarks got for the IASB's pondering. After the remark time frame closes, the IASB surveys the remark letters gotten and the after-effects of different conferences. For the purpose of investigating the issues further, also requesting further remarks and ideas, the IASB might lead field visits, or orchestrate formal proceedings and round-table gatherings.

DEVELOPING AND PUBLISHING THE STANDARD

The improvement of an IFRS is completed during IASB gatherings, when the IASB considers the remarks got on the openness draft. Changes from the openness draft are posted on the site. In the wake of settling issues emerging from the openness draft, the IASB considers regardless of whether it should uncover its re-examined recommendations for public remark, for instance by distributing a subsequent openness draft. Assuming the IASB concludes that re-openness is essential, the due cycle to be followed is equivalent to for the main openness draft as it moves towards finishing another IFRS or significant revision to an IFRS, the IASB readies an undertaking synopsis and input proclamation.

The examination will accordingly endeavour to survey the possible impacts of the new IFRS on:

- ✓ The budget summaries of those applying IFRSs.
- ✓ The conceivable consistence costs for preparers.
- ✓ The expenses of examination for clients.

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- ✓ Recognizing how the information has been estimated and changing information for the motivations behind remembering them for, for instance, a valuation model.
- ✓ The equivalence of monetary data between detailing periods for a person substance and between various elements in a specific announcing period, and The nature of the monetary data and its convenience in surveying the future money streams of an element.

AFTER THE STANDARD IS ISSUED

After an IFRS is given, IASB individuals and staff hold customary gatherings with intrigued parties, including other standard-setting bodies, to assist with understanding unforeseen issues connected with the functional execution and possible effect of its arrangements. The IFRS Establishment likewise encourages instructive exercises to guarantee consistency in the use of IFRSs. The IASB does a post-execution survey of each new IFRS or major alteration. This is ordinarily done two years after the new prerequisites have become obligatory and been executed.

PRESENTATION OF FINANCIAL STATEMENT

- ✓ Companies Act requires preparation of Asset report.
- ✓ Benefit and Loss Account.
- ✓ Notes to Accounts
- ✓ Explanation of Financial Position (Balance Sheet)
- ✓ Pay Statement (Profit and Loss Account)
- ✓ Explanation of Changes in Equity (SOCIE)
- ✓ Explanation of Cash streams.
- ✓ Notes including a rundown of huge bookkeeping arrangements and other informative data.
- ✓ Explanation of monetary situation as toward the start of the soonest similar period at the point when a substance applies a bookkeeping strategy reflectively or makes a review rehashing of things in its fiscal summaries, or when it renames things in its fiscal summary.

CORRECTION OF ERRORS

IFRS endorses assuming blunder happened before the soonest earlier period introduced, the opening balances of resources, liabilities and value for the soonest earlier period introduced are rehashed. While, Indian GAAP recommends assuming mistakes happened then rehashing isn't needed. The impact of revision is remembered for current year pay articulation with isolated exposure.

CONCLUSION

Worldwide monetary Reporting Standard spotlights on quality, dependability & significance viewpoints of the data to every one of its clients all around the globe while setting another norm. Harmonization of Accounting Standard is a need to make and foster worldwide economy. Harmonization will result into valid and reasonable show of fiscal

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summary that can be effectively open to every one of the potential clients including expected financial backers. IFRS gave itemized rule for show of fiscal report and it gives more experiences about the monetary data of the element so financial backer can contrast it with other element with discover best speculation choice. For MNC s reception of IFRS will result into decrease in the cost of arrangement of budget report and additionally defeat the trouble of solidification of fiscal reports working in various countries.

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