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A STUDY OF INTERNATIONAL ACCOUNTING STANDARD AND INDIAN ACCOUNTING STANDARD

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Abstract :-

The widespread acceptance of International Accounting Standards(IAS)/International Financial Reporting Standards (IFRS) makes it timely examine their technical determinants as well as the implications for the accounting profession and the process of accounting harmonization. In his respect, we suggest that the principles-based approach to the standards and it sinner flexibility enables the application of IAS/IFRS to countries with diverse accounting traditions and varying institutional conditions. Furthermore, the principles-based approach involves major changes in the expertise held by accountants and, hence, in their educational background, training programs, and in the organizational and business models of accounting firms. 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.

KEYWORDS : International Accounting Standard & Indian Accounting Standard.

INTRODUCTION

Accounting Standards are used as regulatory mechanisms for preparation of financial reports in almost all the countries of the world. Accounting Standard are written policy documents issued by expert accounting body or government or other regulatory body covering the aspects of recognition, measurement, treatment, presentation & disclosure of accounting transaction in the financial statement. Objective of accounting standard is to standardize the diverse accounting policies& practices with a view to eliminate to the extent the non-comparability of financial statements & add the reliability to the financial statements. The rapid growth of international trade & Internationalization of firms create need of global harmonization of

OBJECTIVES OF THE STUDY

a) To study of International Financial Reporting Standard & Indian Accounting Standard.
b) To understand the procedure for issue of International Financial Reporting Standard & Indian Accounting Standard.

RESEARCH METHODOLOGY

In the present study, descriptive research design was used. Data has been collected from secondary sources.

PLANNING THE PROJECT:-

While adding a thing to its dynamic motivation, the IASB chooses whether to lead the venture alone or together with another standard-setter. Comparable due process is taken after under the two methodologies. While thinking about whether to add a thing to its dynamic plan, the IASB may establish that it meets the criteria to be incorporated into the yearly enhancements process. The IASB evaluates the issue against b) Correcting. c) Well characterized and adequately limited in scope that the results of the proposed change have been considered. d) Completed on a convenient premise, all criteria must be met to fit the bill for incorporation in yearly upgrades. When this evaluation is made, the revisions incorporated into the yearly upgrades process will take after the same due process as other IASB ventures. The essential target of the yearly changes process is to improve the nature of IFRSs by correcting existing IFRSs to illuminate direction and wording, or remedying for generally minor unintended results, clashes or oversights. In the wake of thinking about the idea of the issues and the level of enthusiasm among constituents, the IASB may set up a working gathering at this stage and a venture group for the task will be chosen. The undertaking administrator draws up a task plan under the supervision of the executives of the specialized staff and the venture group may likewise incorporate individuals from staff from other bookkeeping standard-setters, as regarded fitting by the IASB.

PRESENTATION OF FINANCIAL STATEMENT

Companies Act requires preparation of a) Balance Sheet. b) Profit & Loss Account. c) Notes to Accounts d) Statement of Financial Position (Balance Sheet)e) Income Statement (Profit & Loss Account)f) Statement of Changes in Equity(SOCIE)g) Statement of Cash flows. h) Notes comprising a summary of significant accounting policies & other explanatory information.

I) Statement of monetary position as toward the start of the soonest near period when an element applies a bookkeeping arrangement reflectively or puts forth are expression of things in its Monetary articulations, or when it renames things in its budgetary explanation.

Balance sheet:

IFRS does not recommend a specific arrangement of Balance Sheet. A current/non-current introduction of advantages &liabilities is utilized, except if a liquidity introduction gives more significant &reliable data. Certain base thing are displayed on the substance of the monetary record. Indian GAAP likewise does not recommend a specific configuration; certain things must be introduced on the substance of the adjust sheet.132Whereas Formats endorsed by the Companies Act, 1956 and other Industry controls like saving money, protection and so on is pertinent for Indian organizations for introduction of budgetary proclamation.

Income statement:

IFRS does not recommend organize for the salary explanation. The element should choose a strategy for introducing its costs by either capacity or nature; this can either be, on the substance of the salary Proclamation, as is empowered, or in the notes. Extra exposure of costs by nature is required if utilitarian introduction is utilized. IFRS requires, as a base introduction of the accompanying things on the substance of the pay explanation: Revenue. b) Finance costs c) Share of post-assess consequence of partners and Joint endeavors represented utilizing the value strategy charge expensed) Profit or misfortune for the period

Statement of Changes in Equity (SOCIE)

Under IFRS Statement of Changes in Equity(SOCIE) is introduced as an essential articulation. Notwithstanding the things required to be in SOCIE, it should indicate capital exchanges with proprietors, the development in amassed benefit and a compromise of every single other part of value. While under Indian GAAP no different proclamation is required. Changes in investors' value are unveiled in isolated timetables of Share Capital and Reserves and Surplus .

Statement of Cash flows:

IFRS requires preparation of cash flow statement no exemptions for preparation of the same. FRS permits the preparation of cash flow statement using either direct or indirect method the In India as per AS-3 cash flow statement is mandatory for listed companies& it should be prepared by using indirect method & direct method is prescribed for insurance companies.

Changes in accounting policy:

IFRS endorses if there are changes in bookkeeping strategy then Comparative year data is repeated and the measure of the modification identifying with earlier period is balanced against opening adjusts of held profit of the most punctual earlier period displayed, except if particularly exempted.

Under Indian GAAP repetition isn't required. The impact of changes is incorporated into current year salary explanation. The effect of progress is revealed.

Correction of errors:

IFRS endorses if blunder happened before the most punctual earlier period introduced, the opening adjusts of advantages, liabilities and value for the soonest earlier period displayed are rehashed. Though, Indian GAAP recommends if mistakes happened then repetition isn't required. The impact of amendment is incorporated into current year pay articulation with isolated revelation.

CONCLUSION

International financial Reporting Standard focuses on quality, reliability & relevancy aspects of the information to all its users all over the globe while setting a new standard. Harmonization of Accounting Standard is a need to create & develop global economy. Harmonization wills result into true & fair presentation of financial statement that can be easily accessible to all the potential users including potential investors. IFRS provided detailed guideline for presentation of financial statement & it gives more insights about the financial information of the entity so that investor can compare it with other entity to find out best investment option. For MNC s adoption of IFRS will result into education in the cost of preparation of133financial statement & also overcome the difficulty of consolidation of financial statements working in different country.

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