Faculty of Business

Global Financial Crisis:
A survey on the adoption of International Financial Reporting Standards (IFRS) In the United Arab Emirates

الأزمة المالية العالمية:
دراسة استقصائية بشأن اعتماد المعايير الدولية لإعداد التقارير المالية
(IFRS) في الإمارات العربية المتحدة

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Abstract

International Financial Reporting Standards (IFRS) is the most accepted and widely followed accounting standards all over the world. Since it play a vital role in raising the accounting quality because of its tight requirement of transparency.

Therefore, the main objectives of this study are to examine whether the adoption of IFRS and financial crises are independent of each other, to test the extent of adoption of IFRS in the UAE in 2013 and to systematically analyze whether the IFRS guidelines helped safeguard the interest of the investors and public. To achieve these objectives, a survey is designed and analyzed. The main findings of this survey are that noncompliance with IFRS is one of the main causes of financial crisis 2007/2008 and the high adoption of IFRS can avoid future crises. In addition, the level of adoption of IFRS in the UAE is good and high. Furthermore, the study results prove that IFRS help in safeguarding the interest of the investors. In conclusion, the study suggests recommendations to financial practitioners, supervisory authority, investors, companies and researchers.

ملخص:

تعد معايير التقارير الدولية (IFRS) الأكثر قبولاً و إنتشاراً من بين معايير المحاسبة على مستوى العالم. حيث أن هذه المعايير تلعب دوراً حيوياً في رفع مستوى المحاسبة بسبب شروط المحاسبة المشددة. ولذلك فإن من الأهداف الرئيسية لهذه الدراسة هو فحص ما إذا كان إعتماد هذه المعايير و الأزمات المالية العاليمية مستقلة عن بعضها البعض. أيضاً لاختبار مدى و مستوى إعتمادها في دولة الإمارات العربية المتحدة عام 2013م. من الأهداف أيضاً، تحليل ما إذا كانت مبادئ معايير التقارير الدولية تساعد في حماية مصلحة المستثمر و العامة. لتحقيق هذا الأهداف، تم تصميم استبيان و تحليله، النتائج الرئيسية لهذه الرسالة تثبت أن عدم الامتثال لمعايير التقارير الدولية هي واحدة من أهم أسباب الأزمة المالية العالمية 2008/2007 و أن التطبيق العالي لهذه المعايير يمكن أن يجنب أزمات مستقبلية. بالإضافة إلى ذلك، فإن مدى و مستوى إعتماد هذه المعايير في دولة الإمارات العربية المتحدة هي جيدة و عالية. علاوة على ذلك ، فإن نتائج الدراسة تثبت أن هذه المعايير مساعدة في الحفاظ على مصلحة المستثمر. في الختام، تقترح الدراسة عدة توصيات للممارسيين الماليين و الهيئة العامة للرقابة و المستثمرين و الشركات و الباحثيين.

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List of Contents

List of Tables

List of Figures

Chapter 1

Introduction

1.1. Introduction

Earlier civilizations were built on the foundations of organization, laws and standards, which are the basics for any institution development. Therefore, standardizing accounting rules in the financial institution was a powerful step towards developing the accounting. This step becomes the most fundamental stage which affects the financial reporting positively in recent years worldwide. Hence, any financial statement's user can easily read to understand and compare the financial statements for various companies. The importance of standardizing accounting rules increase after International Corporation and trading establishment. Because of that, many accounting standards were developed and every standard seems to have its pros and cons, Supporters and opponents. Examples of such standards are (Madsen 2011):

- International Financial Reporting Standards (IFRS),
- United States Generally Accepted Accounting Principles (US GAAP)

In addition, there is increasing in the numbers of standard-setters, well-known example of this are:

- Accounting Principles Board (APB),
- Accounting Procedure (CAP)
- The Financial Accounting Standards Board (FASB).

However, the financial experts worldwide are in debate as they analyze the best and globally accepted accounting standards that has the ability to construct a healthy financial environment. In addition, theses standards must be in the in favors and interest of both the companies and the investors. Hence, economic professionals began to ask about the relation between some of these standards and the financial crises, especially the last crisis occurred in 2007/2008. In addition, A question arises, whether these standards are in the interest of the investors or not. All of these questions revolve in the minds of financial scientists around the world, including the United Arab Emirates (UAE). It is worth mentioning that UAE is one of the most Arabic strong countries in terms of finance and it has a powerful financial co-operation with most of countries in the world. For this reason, the UAE must focus on the used accounting standards to maintain this great economic status and its evolution. This study aims to find the most acceptable accounting standards that could be used in the UAE, its effects, advantages and its role in the financial crises Plus, its role in safeguarding the investor's interest. Below seven subsections details the above, which are:

- Background,
- Research questions and problem statement,
- Study hypothesis,
- Research objectives,
- The rational of the study,
- The challenges and the limitations of the study.

This chapter concludes by presenting the organization and the chapters of the study.

1.2. Background

Earlier, every financial system, country and even the individual traders had their own methods and principles to deal with their accounts to the extent that it was very difficult for most of the people and the financial specialists to understand and comprehend other companies' financial statements. The situation became more complicated after the rapid growth of global trading, business co-operation among countries and the expanding rate of exports and imports. Therefore, it was a necessity to develop and establish unified international standards to facilitate the interaction between the different financial systems .This was the beginning of the idea of The International Accounting Standards (IAS) at the end of 1960s, which was a start to a distinguished procession that will be reviewed later in the next chapter. Since that time, many accounting standards and principles set such as the APB, CAP, FASB, US GAAP and many other accounting standards came to exist. This diversity of standards confused the finance world again and demanded to pursue and identify the best accounting standards. To answer this question, the researchers constructed many comparisons between these standards. One of the most famous comparisons was done between IAS and US GAAP by many researchers like Bandyopadhyay and McGee (2012), where they explained that the main difference between IAS and US GAAP is that the first one is principles-based while the other is rule-based. Hence, the financial experts started to ask about the level of the accounting standards. Recently, Meeks and Swann (2009) have confirmed that the level of accounting standards is unidentified. However, there is an ongoing call for “one accounting language” (Hoogervorst, 2011, p38). Hoogervorst confirms that this accounting language is the International Financial Reporting Standards (IFRS) sooner or later. IFRS is the new terminology of IAS. That will be explained in detail in the next chapter. However, after all this effort in uniting the accounting standards, the financial experts began to ask again if these standards play a role in building a healthy financial environment or the opposite. More specifically, they are asking about the role of accounting standards in the financial crises in general and the crisis of 2007/2008 in particular. In addition, the investors started to ask if these standards are in their interest and how can they use these standards to make good financial decisions and gain a profit. These questions were the basis of this research. More details about the research questions and problem will be explained in the following section.

1.3. Research Questions and Problem Statement

Due to the increasing interest in IFRS among all countries in general and in the UAE in particular, this research highlights the adoption of IFRS in the UAE. It sheds a light on the history of IFRS in the UAE, the level of its adoption and the authority supervisory. Additionally, the study raises a question of whether there is a need to modify IFRS when it adopted in the UAE or not. The study tests the role of IFRS in the financial crises especially the financial crisis of 2007/2008. Furthermore, the study assesses if IFRS has a role in improving the quality of the accounting and the financial performance of the companies in the UAE. The problem that study highlights if the IFRS is in the benefit of the financial environment or in the contrast; it can lead to more financial crises in the future. Moreover, it discussed if IFRS guidelines are in the interest of the investors or not. The study attempts to address the following main questions:

- What is the role of IFRS in the financial crises?

• Do IFRS guidelines help safeguard the interest of the investors?

• What is the level of the applications of IFRS in the UAE? Under this question, there are three sub questions:

  - Do the government entities adopt IFRS?
  - Does IFRS improve the quality of accounting and the financial performance of the UAE companies that applies IFR?
  - Does IFRS need to be modified when it is adopted in the UAE?

1.4. Study Hypotheses

The study hypotheses are put in accordance with the Research Problem and questions of the study. To answer these questions and solve the problem, two Null Hypotheses and Alternative Hypotheses have been established:

- H_{o1}: Adoption of IFRS and financial crises are not independent of each other.
- H_{a1}: Adoption of IFRS and financial crises are independent of each other.

- $H_{o2:}$ IFRS guidelines are not in safeguarding the interest of the investors.
- $H_{a2:}$ IFRS guidelines are in safeguarding the interest of the investors.

1.5. Research objectives

This study has three main objectives which are:

- To examine the extent of adoption of IFRS in the UAE companies.
- To systematically analyze whether the IFRS guidelines helped safeguard the interest of the investors and public.
- To analyze whether the views and opinions of different demographic characters are significantly differ.

1.6. The rationale of the study

Each study has many elements that make it distinguished and having special rationality. The following lines explain the rationale of this study:

- In this globalized world, adoption of IFRS is very important; otherwise, UAE companies may face a lot of difficulties in transacting with the rest of the world.
- This study gives brief history of IFRS in the UAE, since there is a lack in the research in this area.
- The study evaluates the level of adoption of IFRS in the UAE private companies and government organization.
- It studies the impact of financial crisis of 2007/2008 in the elementary adoption of IFRS in the UAE where there is no study was conducted to test this impact.
- It proves the importance of applying IFRS in the UAE for many reasons mainly the inclusion of transparency and credibility.
- It highlights the development of financial markets in the UAE by applying IFRS which has a great role in improvement, reliability, comparability, and significance of financial information.
- The scarcity of research in this area increases the importance of this research.
- The study makes recommendations to financial practitioners, supervisory authority, investors, companies and researchers.

1.7. The challenges and limitation of the study

This study has confronted some challenges that have been overcome so that it doesn’t affect the results. These challenges are:

- Lack of articles and previous studies related to the IFRS in the UAE.
- Getting survey results responses promptly.
- Difficulty in the required procedures to meet involved officials.

The only most effective limitation faced this study was the limited number of survey responses.

1.8. Structure of the study

This study contains four other chapters in addition to this chapter. The second chapter is Literature Review which discusses the previous articles of IFRS as a concept and its history, the importance of IFRS, its impact on the financial statements and key financial ratios, explaining some standards of IFRS, its role in the financial crisis, the interest of the investors and the adoption of IFRS in the UAE. The third chapter is the Methodology which explains the survey and other methods used in this study, as well as, it explain the methods of sampling and analyzing the data. The fourth chapter is the Empirical Results where the outcomes are represented and discussed. The last chapter is the conclusion and recommendations which summarize the study and gives recommendations for the financial practitioners, supervisory authority, investors, companies and researchers.

Chapter 2

Literature Review

2.1. Introduction

This chapter reviews the most significant researches and articles on IFRS, presented in eight sections including this one. The second section is about the concept of IFRS and its history, its current status, its importance and some of the important standards of IFRS. The third and the fourth section review the impact of applying IFRS. The fifth section is about the role of IFRS in the financial crisis. The sixth section is about the IFRS guidelines and the interest of investors. The seventh section is about the adoption of IFRS in the UAE and the last section is the conclusion and the summary of this chapter.

2.2. The International Financial Reporting Standards

The IFRS as a concept has been presented in three subsections which are: the history and the current status of IFRS globally, its importance and some of the famous and important standards of IFRS.

2.2.1. The history of IFRS and Its Current status globally

The history of practicing accounting is as old as the business where every country and every trader has its own accounting systems and methodology. However, it seems that there is a need for standardizing the accounting in the global level especially after noticing the growth in the international trading and corporation. These standards are issued by International Accounting Standards Board (IASB) where the IASB (2012, p.1) identifies itself as "An independent standard-setting board, overseen by a geographically and professionally diverse body of trustees, publicly accountable for a Monitoring Board of public capital market." and it's noted that there are more than 120 countries using IFRSs since 2001. This current status of wide application of IFRS confirms its importance. Zeff (2012) verifies this importance by confirming that many European countries adopt IFRS in their accounting systems rather than their national GAAP or other systems like US GAAP, since these systems are very voluminous and the US GAAP particularly had some deviations in the consolidated financial statements from 1987 to 2000. Zeff adds that the European Commission declared in 2000 that all listed companies in the EU must adopt IFRS in their consolidated statements by 2005. That was confirmed by Sawani (2009) where he points out that the need for International

Accounting standards began to appear at the end of 1960s where a group of accounting professionals recognized that need after the markets without borders started to grow. However, the International Accounting Standards Committee (IASC) was established in 1971 by a behest of accounting boards from Germany, Australia, France, Canada, U.K, Japan, Netherlands and Mexico but it was similar to the frameworks of British and Australia and the US Financial Accounting Standards Board. The author remarks that IASC issued about 40 standards from 1970 without applying in most of the countries, where they prefer to depend on their own system. The European countries led the movement of applying IAS in 1990 with Italy, Belgium, France and Germany. However, Sawani adds that IFRS faces the problem of not having real authority. Furthermore, the author clarifies that IASC restructured to be the IASB in 2001 and expand IFRS which is support and guide IAS. In 2005, the European Union listed firms were required to set up their financial statements in compliance with IFRS. Ojo (2010) agrees with Sawani that 2005 was the real start to enforce applying IFRS. In addition, Ojo claims that there was no enforcement system in IASB in the past as it is now, where there are many enforcement actions, especially in the field of preparing financial statements. The author clarifies that IASB is in need to these enforcement actions where the weakness of adoption unified accounting standards has a role in 2008 financial crises. Another point clarified by Ojo is that the full application of IFRS will be very useful to the financial statements users. Ojo asserts that principles-based accounting presented by IFRS is easy to apply and more accurate, so he invites firms, accountants and regulator to take affective action for preserving the principles-based system. The same invitation was done by Kang and Lin (2011) where they confirm the Preference of IFRS and they state that it’s the time to change from rules-based accounting presented by US GAAP to principles-based accounting presented by IFRS. As a result, the quality of accounting information will be improved, as it increases the credibility of the financial report. Thistlethwaite (2011) agrees with the previous study and he clarifies the relationship between International Accounting Standards Committee Foundation (IASCF), IASB, IAS and IFRS. He points out that The IASB, IAS setter, is belonging to the IASCF and the head office of IASB is in London. He adds that, the IFRS also is designed by the IASB. IFRS now is obligatory in more than 130 countries by national securities regulators. Thistlethwaite points out that the IASB consists of fifteen accounting specialist. These Accountants are chosen by a group of professionals according to their experience and achievements in the accounting. Furthermore, Maggina (2011) explains a big misunderstanding that most people cannot differentiate between IAS and IFRS where he identifies that after issuing the last standard IAS 41, IASC starting to issue a series of standards which is known by IFRS. He confirms that any standards included in IFRS that can be contradictory will absolutely replace those of the IAS. For this reason, most researchers treat IAS and IFRS as same standards and they write IAS/IFRS such as Albu et al (2011), Maggina (2011) and many others. Generally, it is the same standards but previously was called IAS and recently has been called IFRS. This research will follow these financial experts where IAS and IFRS will be treated as the same.

2.2.2. The Importance of IFRS

The increasing number of countries applying IFRS confirms its importance. Many researchers prove this importance such as Barth, Landsman and Lang (2008) where they clarify that accounting quality is higher in the firms that applying IFRS compared with non-applying firms in spite of the decrease of earning managing and earning smoothing. In addition, there is a superior relationship between the accounting amounts, returns and share prices in the IFRS applying firms which activate the recognition of losses in due course. The authors make two comparisons in a sample of firms from 21 countries. The first comparison is between the applying and non-applying IFRS firms and the second comparison is between the period before and after applying IFRS. Their evidence shows higher accounting quality after applying IFRS. Most researchers have studied the relationship between IFRS and the quality of accounting and prove that the quality will be improved by applying IFRS such as Chua, Cheong and Gould (2012). However, in Madsen's (2011) study which explores the relationship between applying IFRS and the risk, he proves that there is a significant and positive relationship between the accounting standardization and reducing litigation risk, simplifying complex tasks and enhancing professional legitimacy. He adds that IFRS influences financial accounting fundamentally. Another relation is clarifying by Karamanou and Nishiotis (2009) where they confirm that there is a positive relationship between the accounting standards applied by the firm and the value of this firm. That was proven by the sample of 331 companies that changed its accounting system from the domestic one to IFRS. These companies achieve positive abnormal returns after its announcement of adoption of IFRS due to the mandatory and transparency which are compulsory in IFRS adoption. These factors can increase the confidence of the investors. Halbouni (2005) agrees with Karamanou and Nishiotis where he confirms that the main important factors of the need to apply IFRS in Jordan are the international audit and the foreign investments. Jeno (2010) is in line with Halbouni in the importance of applying IFRS in the market where he maintains that the financial market will be more transparent by applying IFRS. This makes the company financial statements more accurate and credible. As a result, there will be further international transactions which contribute in reducing costs, because of the obvious information supplied by a firm that adopting other accounting standards. Jeno adds that the accounting risk supposed by the investors will be reduced due to the reducing the difficulties in reading and understanding the financial statements. As a result of reducing the accounting risk, the investors will receive less return from their investments which cause decreasing in the cost of capital too. Another noticeable point clarified by Jeno is that the IFRS will facilitate the preparation of the financial statements especially for the multinational companies and the company with branches in other countries where they will prepare one financial statements instead of preparing many according to the domestic accounting standards in each country. Therefore, the comparison between the companies and the branches will be very easy. Bewley (2008) share Jeno’s opinion in that, he confirms that the higher quality of disclosure in the IFRS leads to lower companies' cost of capital and as well lower cost of debt. These strong disclosure regulations also lead to the development of the capital market by the active trading and the liquidity. In addition, Bewley contends that applying IFRS in any financial entity will improve the quality of the financial statements. Another reason for the importance of adopting IFRS is that it represents the Principles-Based Accounting Standards as most of the financial experts now invite to transfer to it from Rules-Based Accounting Standards. Agoglia, Doupnik and Tsakumis (2011) are of those experts, where they find that auditors have no impact on the principles-based standards where they prepare the financial statements according to the principles. It is the opposite situation in the case of applying Rules-Based Standards. This idea has been confirmed earlier by Ding et al. (2007) where they find in their sample of companies from 30 countries that disclosure, recognition and measurement can be missing in domestic accounting standards (DAS) compared to IFRS. Furthermore, they maintain that the world is in ominous need for IFRS because the differences between the accounting systems decrease the accounting level and the quality of the information. They remark that IFRS is more inclusive than DAS. This inclusiveness makes the emerging countries deal with IFRS as their reference to improve their accounting organizations especially for publicly traded companies. They add that the system of disclosure and transparency in the IFRS reduce the information contrast between the external users and the financial managers. All these advantages of IFRS make the countries adopt it especially when they want to attract the foreign investors. Ding et al. describe IFRS as a “logical benchmark to use due to its growing importance worldwide” (p 6). The following subsection is about some important standards.

2.2.3. Some Important standards of IFRS and IAS

IAS has 41 standards and IFRS has 13 standards; as mentioned before the two groups of standards are integrated and they are used as the same.. The following subsections present in brief IAS 1, IAS 7, IAS 27 and IAS 33 because they are the most important standards dealing with the financial statements and ratios which are the most important indicators for the performance of the companies which can help the investors in making sound financial decisions.

The first standard is IAS1 which is about the Presentation of Financial Statements. In fact, this standard is the first in the IAS which refers to the importance of financial statement in the accounting. In this regard, Tarca, Hancock and Woodliff (2008) point out that extracting information from the financial statements become more accurate by using IAS 1. Furthermore, they add, that the transparency will be increased by presenting all measuring items in the income statement. This transparency and accuracy make reading and analyzing the information much easier even for unfamiliar users of financial statement where they can gain more financial experience. Earlier, Thinggaard et al. (2006) remark that IAS 1 is to facilitate evaluating of the financial performance of companies where the users of the financial statement are influenced by the arrangement of recognized income and expense which are mandatory to be displayed in a single statement. Therefore, the earnings management will be reduced.

The second standard is IAS 7 which is about the cash flow statement. In this regard, Mechelli (2009) explains that IAS 7 necessitates that the cash pay, cash acquired, assets acquired and liabilities assumed must be disclosed in the cash flow statement. They claim that applying IAS for the first time will necessitate great efforts. Later, Pekdemir and Yonet (2010) clarify that the cash flow statement according to IAS 7 must contain Net Cash Flows from operating, investing and financing activities for a given period provided that it's beginning and ending with the Balance of Cash. The authors maintain that Cash flow management is essential for the business management and financial statement users and the lack of this management can mislead the comparison between the financial statements of companies.

The third standard is IAS 27 which is about the Consolidated and Separate Financial Statements. Andrel, Marchini and Tibiletti (2005) point out that the objective of IAS 27 is to determine the basics of the relationship between parent and their subsidiary which has a good impact to strength the parent's powers and gain benefits from their subsidiaries. IAS 27 was revised in 2003, So and Smith (2009) explain that this revision was to include the non-controlling interest in the equity and earnings classification. The researchers confirm that this revision was very helpful to the investors where now a perception about non-controlling interest can be predicted which is not considered as perceived as liabilities any more. Their results prove that accounting regulators move to the economic unit theory of consolidated financial statements.

The last standard is IAS 33 which is about the earning per share which is considered as one of the most important financial ratios. This is confirmed by Zhang (2008) who clarifies that IAS 33 was issued in 2003 by IASC to help in making a strong comparison between many firms for the same financial year and between the different financial years for the same firm. Therefore, it is considered as a measurement for the past financial performance but cannot predict the future performance. Zhang claims that IAS 33 is applied in many countries while other countries apply other standards that are equivalent to IAS 33.

Moreover, IAS 33 aims to set standards for the presentation and verifying earnings per share ratio for the profit or the loss producing from continuing operations for any financial period. However, determination of the earnings per share ratio by using different accounting rules can affect the value of the ratio and weaken the financial comparisons which enhance the role of IAS 33. ('Earning Per Share' 2002).

2.3. The Impact of Applying IFRS

Applying IFRS has a clear impact on the financial statements and other financial indicators. This impact can be traced through many articles. This section presents these articles in two subsections; the impact of IFRS on key financial indicators and comparing between IFRS and other accounting standards.

2.3.1. The impact of IFRS on key financial indicators

To trace this impact in Greece, Tsalavoutas and Evans (2010) study the impact of adopting IAS/IFRS on the financial statements of 238 Greek firms. Their results show a positive impact on the quality financial reporting with regards to the net profit. Further, there is a statistically significant positive impact on the net assets, net income and the shareholders' equity. Similarly, there is a statistically significant effect on the gearing and liquidity ratios. However, this impact is negative. Later, Iatridis and Dalla (2011) study the impact of applying IFRS on some of Greek listed Companies, particularly in the stock market and the industrial sector. Their results show that IFRS has a positive impact on the profitability for the most industrial sectors. On the other hand, it has a negative impact on the liquidity for the stock market and some industrial sectors. They observed an increase in the leverage where this is positively associated with the growth and negatively associated with the profitability and the liquidity subsequent to the borrowing and its financial obligations. Another study was done in UK by Iatridis (2010) where he studied the effect on 241 UK companies. He shows that adopting IFRS has a positive impact on the position of company and its financial performance. As a result, some key financial indicators increased such as the growth and the profitability. Similarly, there is increase in the leverage which leads to decrease of risk and potential uncertainty.

In addition, Outa (2011) explains that IFRS establishes the standards used in presenting all kinds of transactions and the financial events in the financial statements. In addition, it makes the financial statements more reliable, comparable, relevance and understandable. Another impact is tracing by Goodwin and Ahmed (2006) where they notice a decrease in the equity of the Irish firms when they examine the impact of adopting IAS/IFRS on a sample of 135 several sizes Australian companies' firm. The results show a positive impact on the shareholder equity and the net profits in small companies while these values are decreasing in the large companies. In the terms of earnings management, Zeghal, Chtourou and Sellami (2011) studied the impact of the applying IAS/IFRS on 353 French listed companies. Their results confirm that the adoption of IAS/IFRS in France is connected with a decreasing in terms of earnings management. However, and in terms of capital market, Zeghal and Mhedhbi (2012) analyze the relationship between using IAS/IFRS and the capital markets in 38 developing countries. They found that applying IAS has a significant and positive impact on capital markets. In Zealand, Stent, Bradbury and Hooks (2010) explored the impact of IFRS on financial statements. They found that most financial statement elements are statistically significant affected by 87% after adopting IFRS. These changes in the elements of the financial statements are respectively increasing in the liabilities in 75% of the firms and decreasing in the equity in 57% of the firms. The researchers explain that the increasing in the liabilities is because of the Income taxes and employee benefits while the decreasing in the assets is because of the financial instruments.

2.3.2. Comparing between IFRS and other accounting standards

One of the latest article in this field is written by Beke (2012) where he studies the effects of applying IFRS and other national accounting standards like GAAP on the firms Performance. He found that applying IFRS improves the accounting quality, increases transparency, and increases the effectiveness of contracting between companies and lenders. Furthermore, adopting IFRS can raise the transparent value of the company and the market liquidity. Beke also stresses that the share dividend is thriving more in the firms applying IFRS than the others and the financial statements prepared on the format of IFRS are less flexible, thus making IFRS an efficient instrument to evaluate and measure the internal performance. On the other hand, Beke points out that the national accounting standards applying firms are gaining more than double of IFRS applying firms in terms of the market value of assets to historical value of assets. As well as, there are better results on the return on equity and the average return on capital employed in the firms applying national accounting standards. In addition, the author maintains that the leverage and the solvency were more thriving in his sample of national accounting standard applier firms.

Another comparison is done by Hung and Subramanyam (2007) where they test this impact on 80 German companies by comparing IFRS and German accounting rules (HGB). The authors indicates that book value of equity, total assets and variability of net income and book value are greater under IFRS than HGB to a large extent due to some items which are higher under IFRS than HGB such as Provisions, Goodwill, Inventory, Financial Instruments, Property, Plant and Equipment. Jaruga et al. (2007) make another good comparison between the financial statements before and after applying IFRS to study its effect on 255 firms in Poland especially on equity and net income. They notice many significant changes such as the increase in property, plant and equipment (PP&E) value because of the increase in tangible assets and recognize items of PP&E which impact the accounting income. Another impact is the increase of goodwill and the exclusion of negative goodwill which was in Polish GAAP. As a result, there are equivalent changes in the equity. They notice another change which is the decrease of operating revenues and receivables. Furthermore, there is a decrease in the accounting income because of not recognizing the expenses from share based payments and the lower revenues.

The researchers confirm the difficulty of applying IFRS at the beginning. However, after adopting IFRS the company can benefit from the great advantages and the positive changes in their accounting which increase their integration and competitiveness with the capital markets of other companies. Andrel, Marchini and Tibiletti (2005) agree with Jaruga et al. that applying IFRS causes remarkable changes on the financial statements. In their study of the impact of IFRS in general and IAS 27 in particular on 191 Italian companies, they found that 68.88% of the branches are excluded from the consolidation area without giving reasons which diminish the credibility in case of not applying IAS 27. However, they add that the superior level of disclosure obligatory by IAS can cause problems to some companies.

Recently, Fifield et al. (2011) studied the changes after adopting IAS/IFRS of sample companies from the UK, Italy and Ireland. They find that the profit and net worth had a significant spike after adopting IAS/IFRS compared with the previous national GAAP. In addition, there is an increase in the equity of the UK and Italian companies.

2.4. The Impact of Applying IFRS on the key Financial Ratios

As a result of the noticed changes after adopting IFRS, there are also noticeable changes in the financial ratios. Indeed, it cannot completely isolate the changes of financial statements from the changes of financial ratios. This section focuses on the impact of IFRS on financial ratios since they are important for the financial managers and investors.

One of the latest articles in this area is done by Malikova and Brabec (2012) where they suggest that the financial statements can be analyzed by four ratios where these ratios can explain the relationship between the elements of the financial statements especially the income statement and the balance sheet. These ratios are Return on capital employed ratio which evaluates the profitability, the Asset turnover ratio which evaluates the activity, Acid test ratio which evaluates the liquidity and Debt ratio. The researchers calculate each ratio twice under two accounting system; IFRS and Czech legislation. They find that the first ratio which is Return on capital employed ratio is eight times higher under IFRS than Czech which means more profitability because the EBIT is higher under IFRS than Czech. The second ratio is low in both systems. However, it is higher slightly in Czech system but not significant as a result of the lower total assets comparing with higher revenues. The third ratio is higher under IFRS which means more liquidity since the short-term liabilities is less in IFRS than the Czech legislation but also not significant differences. The last ratio is lower under IFRS which means less debt and again this is because of the lower short-term liabilities. Earlier, Lantto and Sahlstrom (2009) as well compare some financial ratios in two account system. However, the systems in their case are IFRS and Finnish Accounting Standards (FAS). They calculate 8 major financial ratios such as current ratio (CR), equity ratio (ER) and return on equity (ROE) under the two system and calculate the differences between them. The researcher found that applying IFRS increases the profitability ratios and gearing ratio fairly and significantly decrease the price-to-earnings ratio (PE), ER and quick ratios a slight. In addition, they highlight that there are changes in the leverage ratios because of the decrease in equity and the increase in debt items. Furthermore, the increase in current liabilities causes the decrease in liquidity ratios. In addition, Bao, Lee and Romeo (2010) compare some selected key financial ratios between IFRS and US GAAP firms in US, France, Australia, Germany, Italy, and Britain. The results prove that the IFRS firms show a significant higher current ratio, lower debt-to-asset ratio and lower asset turnover ratio. Other key financial ratios were studied by Stent, Bradbury and Hooks (2010) where they examine the impact of IFRS on the financial ratios in Zealand. After adopting IFRS, they observe an increase in four ratios which are return on assets (ROA), leverage, return on equity (ROE) and return on sales while there is a decrease in the value of the asset turnover ratio. Earlier, Agca and Aktas (2007) study the impact of the first time adopting of IFRS on 147 Turkish companies. They highlight that the first-time application of IFRS requires reclassification of the asset and the liability elements which primarily leads to many changes in the financial statements. The researchers remark that these changes result in statistically significant changes on many ratios such as the Asset Turnover (AT) and the ratios of Cash Ratio (CR).

More recently, Iatridis (2012) has evaluated the financial position of 229 companies after transferring from UK GAAP to IFRS during January 2004 to December 2005. He found out that the leverage ratio is increasing as he expected. Furthermore, there is an increase in the interest cover ratio, growth and return on the asset ratio which means more profitability in the financial year 2005 compared with 2004. That confirms the necessity of adopting IFRS.

2.5. The role of IFRS in the financial crises

There are two contradictory views on the role of IFRS in the financial crisis where the first group of researchers and financial experts believe that one of the most important causes of the financial crisis is noncompliance with IFRS while the second group believes that reporting under IFRS is a main cause of financial crisis. This section reviews the articles that dealt with this contradiction between the two groups. Jacob and Madu (2009) are from the first group where they affirm that transparency, coherent and comparable financial data provided by IFRS are basic conditions for a healthy financial environment and avoiding the financial crises. Green and Morris (2010) agree with Jacob and Madu where they confirm that the lack of transparency is one of the causes of financial crises which explain the significant interest of transparency after the crisis. In the same line, Kuan and Noronha (2007) remark that the management of reporting standards decreases lightens the financial crisis risks and the raising capital costs. Barth and Landsman (2010) point out that information's transparency about derivatives and asset securitizations were inadequate for investors to evaluate the riskiness which plays a role in the financial crisis. The authors add that IASB and FASB develop the disclosures of asset securitizations, fair values and derivatives. Ojo (2010) agrees with Barth and Landsman where he affirms that the weakness of adoption unified accounting standards has a role in 2008 financial crises.

On the other hand, Skowron and Kristensen (2012) claim that, one of the major causes of financial crises is IFRS, where they describe it as "bad accounting system" (P 482). They justify their view by pointing out that IFRS has no ability to alleviate systemic contagion causing by the movements of asset prices. The companies reevaluate their assets quarterly when the prices move. Reporting the Unrealized losses and gains cause the volatility of the share which shocks the financial regime. Oliveira, Rodrigues and Craig (2011) study the effect of IFRS on the risk-related disclosures in the Portuguese firms. They find that adoption of IAS/IFRS has not a positive effect on the quality or the quantity of risk-related disclosures. Another reason is clarified by Erkens, Hung and Matos (2012) where they remark that some changes made by IFRS in October of 2008 permit financial organizations to avert identifying asset write-down's.

2.6. IFRS and the interest of the investors

Jacob and Madu (2009) state that making wise financial decisions by the investor depends if his company adopts IFRS or not because IFRS offers a superiority accounting data. Green and Morris (2010) share Jacob and Madu the same opinion where he states that transparency increase investor trust in his company and his decisions. In the same context, Kuan and Noronha (2007) state that, the management of reporting standards increases the confidence of the investor in his company because of the transparency policies. The article that studies the relation between the IFRS guidelines and the interest of the investor in more depth is the article of Ball (2006) where he addresses in details the direct and indirect advantage of IFRS for the investors. Ball summarizes the direct advantage in five points. The first point is that IFRS assures more timely, comprehensive and accurate data in the financial statement. Secondly, IFRS are in the interest of small investors who have less experience in dealing with financial statements but IFRS enables them to benefit from the information to reduce the risk. Thirdly, IFRS reduces the cost paid by investors to the financial analysts to evaluate the information provided in the financial statements. Fourthly, the previous point contributes in increasing the market efficiency which enables the investors to make a profit. The last point is raising takeover premiums by Removal hurdles to cross-border divestitures and acquisitions. The writer mentions the indirect advantage of IFRS for the investors in many points such as decreasing the risk to investors of bad selection and from owning shares because of increasing the quality of data provided by IFRS, adoption IFRS the equity capital costs of the company which led to increase in the share prices, increasing the contracting between companies and many others parties especially managers and creditors because of high transparency investors and shareholders.

2.7. The adoption of IFRS in the UAE

There is not extensive literature available on IFRS and accounting systems generally in the UAE. In this regard, this section reviews three articles dealing with this subject and one article about the accounting Standards in the Arab countries in general. The first is an article by Aljifri and Khasharmeh (2006). They study the appropriateness of the IFRS to the UAE financial environment in empirical approach and the items relevant that might affect the level of adoption of IFRS in the UAE. They indicate that the effective factors are the English language and the company's size while the company’s marker listed status and the category of the financial sector have no significant impact on the stability of adopting IFRS in the UAE. The sample comprised 326 listed and unlisted companies from the major industries in the UAE. It is found out that 87% of this firms use English in their financial statements which enhance the development of IFRS. The main finding of this study is the advantages of adoption of IFRS in the UAE such as develop understanding of financial reporting by International experts, support foreign investments improve the financial statements in terms of comparability and supply the government with accurate information to prepare appropriate economic planning. The researchers claim that 95% of the UAE firms adopt IFRS which indicates the high level of IFRS. In addition, 53% of the financial experts who the respondent their study agrees on the need of modifying IFRS to suit the UAE environment.

The second article is of Hassan (2009) where he highlights that there are no legislations in the UAE to enforce the financial institutions to apply certain accounting principles. However, most of these institutions use IFRS especially after setting the UAE central bank regulations which required banks and financial institutions to prepare the financial statements according to IFRS format.

The last is the article of Al-Qahtani (2005) where he remarks that there is a federal law issued in February 1999 which necessitates the financial institutions and the banks to set up the financial statements by IFRS format starting from 1 January 1999. Al-Qahtani agrees with Hassan that there is no enforcement system for the auditing and the accounting in the UAE. He adds that the auditors except the academics in the UAE are not permitted to fill other jobs. Zoubi and Al-Khazali (2004) claim that every company and bank in the UAE have to prepare their financial statement in accordance with the IFRS. The authors suggest adopting IFRS in all Arab countries because it facilitates the movements and increases the capital and the financial statements prepared by IFRS in the Arab companies which will be easily comparable to the foreign ones which encourage foreign investments.

2.8. Conclusion and summary

Overall, it has been highlighted in this chapter on the IFRS in general and its impact on key financial indicators and some financial ratios in particular where is almost unanimous in the importance of adoption IFRS. In addition, this chapter highlights the dispute among economists about the relationship between IFRS and financial crises where some of the financial experts claim that IFRS leads to the crises while others believe that non compliance with IFRS is the cause of these crises. The chapter clarifies how to safeguard the interest of the investor by adopting IFRS. Furthermore, it was focused on IFRS in the UAE where the articles claim that most of the companies use IFRS in preparing their financial statements in spite of the lack of enforcement. The authors are in agreement on the advantages of applying IFRS although there are some factors affect its use like the language and the firm’s size. As a result, most of the financial experts call to modify IFRS to suit the UAE financial environment.

In my view, all the results of discussed articles may vary from country to another according to their financial circumstances These results will be comparing with the this study results which focus in the UAE. Next chapter explains the methodology of this research.

Chapter 3

Methodology

3.1. Introduction

To achieve the objectives of this study and answer the research questions, the survey is selected to access the opinion of accountants and auditors working in the U.A.E in 2013. A total of 103 respondents received are from different accounting and auditing offices in the private and government sectors. These offices were chosen randomly to obtain a representative sample. The respondents filled the survey questionnaire and the information from this questionnaire was analyzed for explanation. In addition to the primary data, the study used secondary resources which are some articles of newspapers, meeting financial officials and reliable web sites for supporting the results of the survey. Therefore, this study used quantitative approaches.

This chapter reviews the research design, survey questionnaire, sampling method used, data collection techniques, data analysis, analytical tools, its rationality, Independent sample t-test, one way Analysis of Variance (ANOVA) test and Ethical consideration.

3.2. Research Design

The Research design of this study can be summarized in four main steps. The first step in this study was inevitability to evaluate the level of IFRS in general and in the UAE in particular. The first step was the meetings with two of financial experts in the UAE to benefit from their experience and to get clear idea about the status of IFRS in the UAE. The first official is Mr. Imad Fakhri Chreideh, administrative coordinator in the Emirates Securities and Commodities Authority (SCA). He mainly was asked about the companies adopt IFRS and the year of adoption. His answers were based on his contacts with the recruited staff in the department of listing and disclosure in the SCA. The second official is Mr. Rami Kamal Al Nsour, Financial Advisor in SCA. He was basically asked about IFRS in the UAE in general. The second step is designating the survey. The questionnaire was designed in the light of the official's meeting, research questions, study problem and hypotheses.

The third step is analyzing the questionnaire which will be explained more in the next section. The last step is linking between the results of the above steps to answer the research questions and the hypothesis. It is worth pointing out that there is some secondary data represented by some government websites and some articles of newspapers to confirm some information, to support the study and to expand the sources of research.

3.3. Questionnaire and its Rationality

A Survey questionnaire was designed to achieve the objectives of the research and get data about the adoption of IFRS in the UAE, the role of IFRS in the financial crises and IFRS instructions that can be used to ensure investor interest. The sources of the primary data in this study are the questionnaire where it is designed for the accountants, auditors and other related employees working in the UAE in 2013. The scale used in the survey is five-point Likert-like (Strongly agree, Agree, Uncertain, Disagree and strongly disagree). It should be reported that the survey is consisted of three parts (See Appendix A). The first part is to form the demographic profile of the respondents by getting information about their job, the employment sector and the years of their experience. In the second part, the respondents are asked to explain their vision and levels of a convention with 22 statements on the survey according to their experience in accounting or auditing in the UAE. The 22 statements were built depending on the research questions, problem statement, research hypotheses and study objectives. They give their opinion in the statement by choosing one of the mentioned five-point Likert-like. In the third part, the respondents are asked to write the advantages of adoption IFRS in the UAE, the measures that should be included in IFRS for the safety of the investors and the growth of the financial organization and any further comments related to the subject.

The survey is designed and published on the SurveyMonkey website and the link is: https://www.surveymonkey.com/s/NYM6JDY

The web link of the survey was sent to the emails of targeted people of the questionnaire with the cooperation of Accountants and Auditors Association in the UAE and by using (UAE Accountants and Auditors Directory). In addition, the survey was sent to some of the Finance and Banking student of the British University of Dubai (BUID) who’s working in the field of accounting or auditing.

3.4. Sampling Method Used

As earlier mentioned, the sample of the study is 103 accountants and auditors who're working in the UAE in 2013 to get the opinion of all accountants and auditors in the UAE in 2013 because the sample is a partial group of a bigger group which is the population. The sampling method is used in this study is the Probability sampling where the probability of collection was identified before. The population for this survey questionnaire is all the accountants and auditors working in the UAE companies and government sector in 2013. The survey link was sent by email as mentioned above. In conclusion, 103 complete questionnaires were received. The study uses the random convenience sample where the survey was distributed randomly to the accountants and auditors.

3.5. Data collection Techniques

The main method used in this study to collect Data is the questionnaire where the study used this primary data collected from survey questionnaires. This primary data is analyzed to solve the research problem and achieve the research objectives. This study is a quantitative study. The Internet was used for collecting the completed survey. The data of this study were gathered through a random sampling. The survey was distributed to 300 accountants and auditors. Nevertheless, there are only 103 despondence received.

3.6. Data Analysis, Analytical tools and its rationality

To analyze the Data collected through the survey, two software were used; Statistical Analysis in Social Science (SPSS) version 19 and Microsoft Office Excel 2007. Firstly, the Data was entered in SPSS. Three tests are used in this software; the frequency, Independent sample t-test and One- way Analysis of Variance (ANOVA) test. The last two tests will be explained in details in the following two sections respectively. The frequency was applied to find the percentage of responses in each statement. Applying frequency, independent t-test and One way ANOVA test means that the technique used to analyze the data is inferential statistics. Inferential statistics are used to analyze the collected data and this step was done to achieve the study objectives, through the three mentioned statistical tests. Secondly, some information produced from the frequency of SPSS was entered into MS Excel to draw some charts for representing the results.

3.6.1. The rationality of used Analytical Tools

It is worth mentioning that it was determined that the best analytical tools to adopt this study were SPSS and MS Excel. SPSS is the most useful software in analyzing surveys including characterized of variety of options and analytical methods. Therefore, it was and still the best choice of researchers in analyzing surveys. With regard to Excel, it is as well powerful software although it is only used to present the results of the study in clear figures and this was the primary reason for using Excel in this study.

3.7. Independent sample t-test and Its Rationality

The rationality of using Independent sample t-test is to test whether the views of two groups of sample are significantly different or not. This is one of the study objectives. This test use to compare between the views of:

- Accountants and auditors.
- Auditors and other related job.
- Government and private sectors.
- Less than five years of experience and six to ten years of experience.
- Six to ten years of experience and more than eleven years of experience.

Where the population mean is the same to a specific amount μ_0, using the following formula:

$$t = \frac{\bar{x} - \mu_0}{s/\sqrt{n}}$$

Where $\bar{X}$ is the mean of the sample, s is the sample standard deviation and n is the size of the sample. Furthermore, $n - 1$ is used in this test as the degrees of freedom. Worth noted that the level of confidence using in the study is 95%.

3.8. One- way Analysis of Variance (ANOVA) Test and Its Rationality

The rationality of using One way analysis of variance (ANOVA) test in this study is to compare means of two or more samples. This test decides the presence or absence of a statistically significant difference among many group means. The sample of this study was divided to three groups according to:

- The jobs.
- The employment sector.
- The years of experience.

The formula of this test is:

$$\sum_{i} n_i \left(\bar{y}_{i\_} - \bar{y}\right)^2 / (k-1)$$

Where $\bar{y}_{i\_}$ is the mean of the sample in the i^{th} group n_i is the observations number in the i^{th} group and $\bar{y}$ is the data mean. It should be noted that the level of confidence used is 95%.

3.9. Ethical Considerations

The data collected are used for research purposes only without violating the privacy of the participants in the questionnaire. A moral matter that is important in this study is to keep the respondent's secrecy. In the survey form, there is an obligation not to reveal the private information that was disclosed by the participants in the questionnaire. The respondents were knowledgeable that they have the option not to contribute in the survey questionnaire if they have the intention of not to participate.

The results of data analysis are represented and described in the following chapter.

Chapter 4

Empirical Results and Discussion

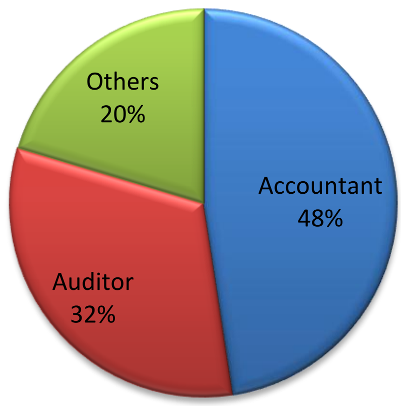
4.1. Introduction

This chapter presents and discusses the findings of the study. Therefore, the aim of this chapter is to present the outcomes of the research, to find the answers to the research question and to prove or disprove the hypothesis. It is worth mentioning that the survey was sent to 300 people of which, only 103 responses were received. As a result, the response rate reached 34.3% and that is a good ratio to some extent. The results of the survey will be discussed in details in the following sections where the outcomes are presented in eight sections including the introduction. These sections are divided according to the research questions and the hypothesis. The sections are started by the profile of the respondents. The next section explains the role of IFRS in the financial crises. The following sections show IFRS guidelines and the interest of the investors, the advantage of IFRS, the adoption of IFRS in the UAE. Finally, the results of independent sample t-test and one way ANOVA test are presented. The chapter ends by a summary of the study findings. The data of the respondent's frequency that used in the following sections can be found at appendix B.

4.2. The demographic profile of the respondents

As mentioned in the previous chapter, the respondents to this study are 103. This section will present the frequency of the responses according to job, employment sector and the years of the experience. Among the 103 respondents, accountants constitute 48% while 32% are auditors and the rest occupy related positions as shown in Figure 1. It is apparent from this figure that almost half of the results are the opinion of the accountant and this is in the interest of the study since it is about accounting standards and preparing financial statements is mainly within the work of the accountants. However, it does not underestimate the importance of the auditors as reviewing the financial statements is located on their shoulders; in addition, they also have to make sure that these statements are prepared under the rules of IFRS or any other accounting standards that adopting by the company.

Figure 1: Jobs of Respondents



As for the results on the frequency of the respondents, as regards to the employment sector where the number of respondents working in the government is in the top at with a percentage of 47.6%. Overall, the rest of the respondents are working in the private sector or self-employed and this is again in the interest of the study as the study shows the opinion of government and private sector in IFRS by similar percentage. As a result, the study can have conception about the adoption of IFRS in the two sectors. If we now turn to the years of the experience, it can be shown that young people constituted the most of the respondents where 45.6% have experience less than five years, 37.9% have experience between 6 to 10 years and 16.5% have experience more than 11 years. Therefore, the study shows the views of the most recent employees since most of the respondents are young and newly graduate. This disparity between the participants in the questionnaire will help later in obtaining one of the study objectives and answering whether the views and opinion of different demographic characters significant differ.

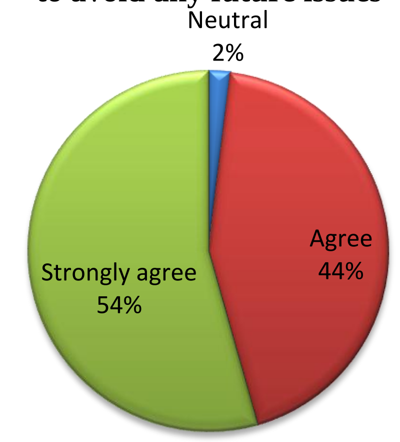
4.3. The role of IFRS in the financial crises

This section explains the role of IFRS in the financial crises especially the last crisis 2007/2008 according to the survey responses. The results in this section are to accept or reject the first hypothesis;

- H_{o1}: Adoption of IFRS and financial crises are not independent of each other.
- H_{a1}: Adoption of IFRS and financial crises are independent of each other.

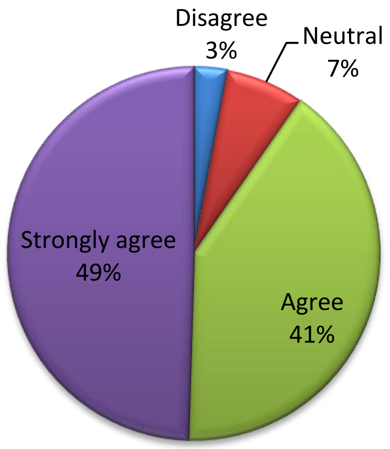
The first point in this regards gives a clear idea about the positive role of uniform accounting standards in avoiding systemic risk and crisis; 95.2% of the sample agrees in this positive role. In addition, this point proves the superior role of the systemic risk managers in making the required Precautions to avoid financial crises. Another cause to avoid crises is clarified where 98.1% of the respondents agree that Companies need to be more transparent in their financial reporting to avoid any future issues and problems such as economic crisis as can be seen from the figure 2. Therefore, transparency which is one of IFRS requirement is a main condition to avoid financial crises. This result corroborates the findings of a great deal of the previous work in this field.

Figure 2: More transparent in their financial reporting to avoid any future issues



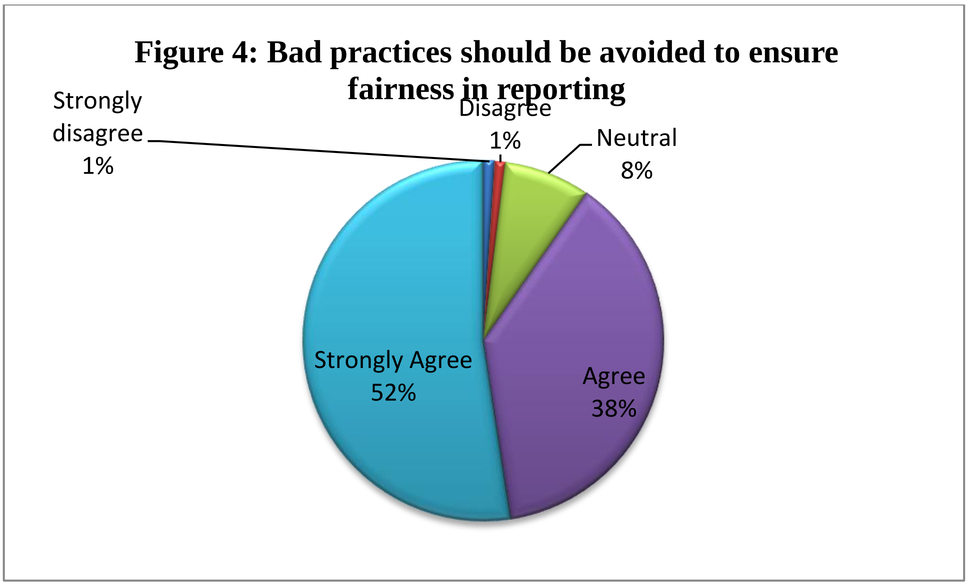
In a related point, 92.2% of the sample believes that the high level of debt financing do invariably contributes to systemic risk and global crisis. There are several possible explanations for this result such as that tightening the condition of debt financing can decrease the risk and avoid any global crises. In addition, 90.2% of the respondents states that the uniformity in the rules for reporting the profits made by a company would help avoid future crisis and shock to the investors. Because some accountant standards can show high profitability comparing with others standards which is in the contrast with the real profit while there is a bad financial situation behind this good figure. This scenario gives false signs to the investor who decides the wrong financial decisions based on these signs. So, the solution is to enforce a uniform a counting standards. In response to this aspect, most of those surveyed indicated by 90.3% of the sample that enforcing uniform standards across all companies in a country would help avoid future crisis and loss of investor funds where figure 3 show the result obtained. This high percentage was expected since majority of respondents agree on the advantage of IFRS because it is the most accepted uniform accounting standards in the world as pointed out previously. This explains the mandatory adoption of IFRS in the UAE in 2008 and in other countries in all over the world.

Figure 3: Enforcing uniform accounting standards



Furthermore, the survey clarifies another point in avoiding crisis where 93.4% of the respondents agree that high quality information should be provided by accounting department to take reliable decisions in order to avoid financial crises. Since the statement is about accountant department, the accountant has a specific opinion. That will be explained more within Analysis of Variance (ANOVA) section. Moreover, the survey justifies that the high performance of Risk management department and accountant department have a strong role in avoiding financial crises.

In addition, the results show that 91.3% of the sample confirms that companies which do not allow sufficient provision for bad debts and other contingencies pose serious problems for the economy as a whole. This outcome shows that the bad and random financial practices of some companies do not affect the company only, but it is also has a negative effect in the economy as a whole which confirms yet again the importance of uniform accounting standards. It can be seen from figure 4 that the survey presents more of these bad practices where 90 % of the respondents point out that Practices such as manipulating provisions, maintaining hidden reserves should be avoided to ensure fairness in reporting.



Furthermore, the survey explains another cause for the last global crisis where 91.3% of the sample indicates that noncompliance with IFRS and the principle of transparency have a role in the financial crisis of 2007/2008 and this result was expected after discussing the previous results.

In general, the results summarize some causes of the financial crisis of 2007/2008 such as:

- Non-uniformity in accounting standards.
- Non-transparency in financial reporting.
- High level of debt financing.
- Unification the rules for reporting the profits is poor.
- Not enforcing uniform standards across all companies in a country.
- Bad financial practices like manipulating provisions, maintaining hidden reserves.
- Low performance of Risk management department and accountant department.
- Noncompliance with principle of transparency and noncompliance with of IFRS.

Based on these results, the first null hypothesis is accepted while the alternative hypothesis is rejected. In other words, adoption of IFRS and financial crises are not independent of each other. The most important result to emerge from the data is that non-compliance with IFRS has a strong role in the financial crises of 2007/2008 and can lead to more crises in the future. These results are in line with previous articles discussed in the chapter of Literature Review such as Jacob and Madu (2009), Green and Morris (2010), Kuan and Noronha (2007) and others.

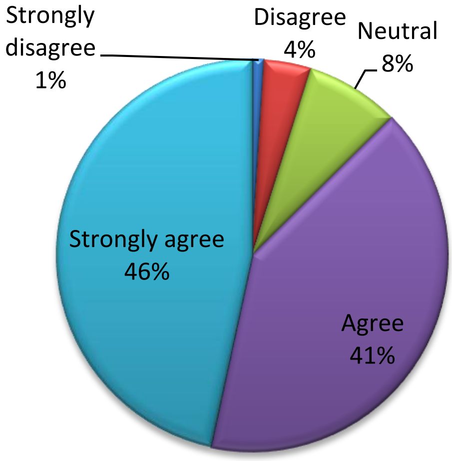
4.4. IFRS and the interest of the investors

In the previous section, it was shown that noncompliance with principle of IFRS has a role in the financial crisis of 2007/2008. This section explains if the IFRS guidelines are in the interest of the investors or not and this was designed for the second hypotheses of the study;

- $H_{o2:}$ IFRS guidelines are not in safeguarding the interest of the investors.
- $H_{a2:}$ IFRS guidelines are in safeguarding the interest of the investors.

Firstly and regards to the role of the independent directors, 94.1% of the sample state that the role of independent directors is crucial to the organization, particularly, in terms of safeguarding the interests of the investors and this was clarified in Ball’s (2006) discussion. However, not all accounting standards limit the role of independent directors in safeguarding the interests of the investors as IFRS do. As for the result of the study about the best accounting standards, most financial experts call for uniform accounting standards but the question arises if IFRS can be considered as the best accounting standards. About 87% of the sample agrees that IFRS is the best accounting standard in the world in terms of interest of the investors for many reasons and that can be clearly seen in figure 5.

Figure 5: IFRS is the best accounting standards



Because IFRS is the best accounting standards in terms of the interest of the investors, the survey highlights some causes of this consideration where the results shows that 95.1% of the sample agrees that IFRS Standards help safeguarding the interest of the investors. In addition, the adoption of IFRS has a role in the growth of the organization and 90.3% agree on that. There is no doubt that the growth of the organization is the interest of the investor since this growth has a role in increasing the stock price.

Furthermore, 90.2% of the respondents state that, the uniformity in the rules for reporting the profits made by a company would help avoid shocking the investors, since uniformity of the rules would make reading and analyzing the financial statements easier even for non-expert investors. Because of that, 90.3% of the sample confirms that enforcing uniform standards across all companies in a country would help avoid future crisis and loss of investor funds.

Generally, the results show that the role of independent directors is crucial to the organization, particularly, in terms of safeguarding the interests of the investors. In addition, the results point out that uniformity in the rules for reporting the profits made by a company would avoid shocking the investors. Moreover, the respondents confirm that all countries should enforce uniform standards across all companies in the country to avoid losing investor funds. as The respondents also affirm that IFRS is the best accounting standard in the world in terms of interest of the investors because it helps safeguarding the interest of the investors and the transparency required.

Based on these results, the second null hypothesis is rejected while the alternative hypothesis is accepted. In other words, IFRS guidelines are effective in safeguarding the interest of the investors. This finding supports previous research into this area such as Jacob and Madu (2009), Green and Morris (2010), Kuan and Noronha (2007) and others.

4.5. The adoption of IFRS in the UAE

This section is about the level of IFRS in the UAE. Furthermore, it presents a brief history of IFRS in the UAE. Therefore, the aim of this section is to answer one of the study questions about the level of the applications of IFRS in the UAE. Under this question, there are three sub questions; to determine whether the government entities in the UAE adopt IFRS and whether IFRS improve the quality of accounting and the financial performance of the UAE companies applying IFRS. Furthermore, this section answers whether there is a need to modifying IFRS in the UAE. The sources of this section are analyzes of the survey data, articles of newspapers, meeting financial officials and reliable web sites. Therefore, this section is divided into two subsections; the primary results and the secondary results.

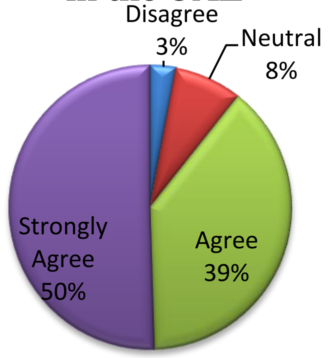
4.5.1. Primary Results

This subsection is to answer the questions about the level of IFRS in the UAE where there are three sub questions as mentioned above. Therefore, there are three following subsections according to these questions.

4.5.1.1. The level of IFRS in the private and government sectors in the UAE

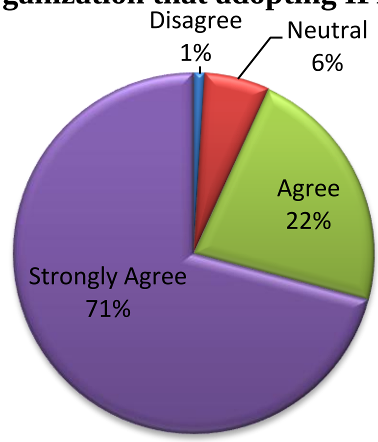
Regarding the level of adoption of IFRS in the UAE, the results show that 50% of the respondents strongly agree that the level is good besides 39% of the respondents agree in this high level of adoption and applying of IFRS in the UAE. The two high percentages and the fact that the respondents are specialists in accounting and auditing confirm the good level of application and adoption of IFRS as can be seen in Figure 6. In view of the fact that 47.6% of the sample are working in the government, the level of adoption of IFRS in the UAE government entities is good also. It should be noted that this result is an answer for one of the main question about the level of adoption IFRS in the UAE.

Figure 6:the good level of adoption IFRS in the UAE



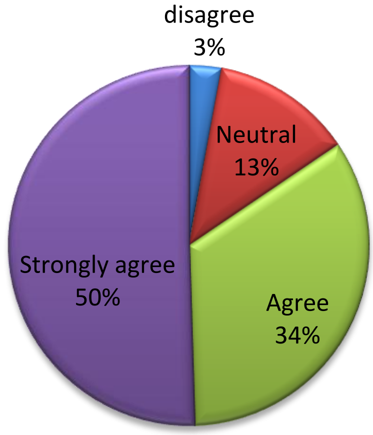
To support this superior figure, the result is showing that a high percentage of companies and government organization are adopting IFRS whereby the results confirm that 71% of the samples strongly agree and 22% agree. Therefore, 93% of the companies and government organization in the UAE adopt IFRS which affirm the high level of adopting of IFRS as can be seen from figure 7. This result is in line with the findings of Aljifri and Khasharme (2006) where they prove in their study that 95% of the UAE firms adopt IFRS.

Figure 7: The UAE compnies and governemnt organization that adopting IFRS



Because 93% of the companies and government organization in the UAE adopt IFRS, the supervisory authority must exist to ensure that IFRS is really applied and in complete framework. The outcomes of the study point out that 86.4% of the sample confirm that there is a supervisory authority to ensure adoption of IFRS in the UAE companies and organization. This supervisory authority will be explained more lately. However, this supervisory Features its important role after the global financial crisis 2007/2008 which was mostly because of the mentioned bad financial practices. Adoption of IFRS becomes mandatory in 2008. About 84% of the sample agrees that the step of this mandatory adoption was introduced because of the financial crisis of 2007/2008 As shown in Figure 8.

Figure 8: The mandatory adoption of IFRS in the UAE was because of the financial crisis 2007/2008.



However and after showing the high level and the mandatory adoption of IFRS in the UAE, what is the impact of this mandatory adoption of IFRS? 95.2% of the sample agrees that the mandatory adoption of IFRS in the UAE has a positive impact on the representation of the financial statements. This result about the impact of IFRS on the financial statements agrees with the results of Andrel, Marchini and Tibiletti (2005), Tsalavoutas and Evans (2010) and others. Thus, all these results answer the first sub question where IFRS is adopted in the government entity and the private sector.

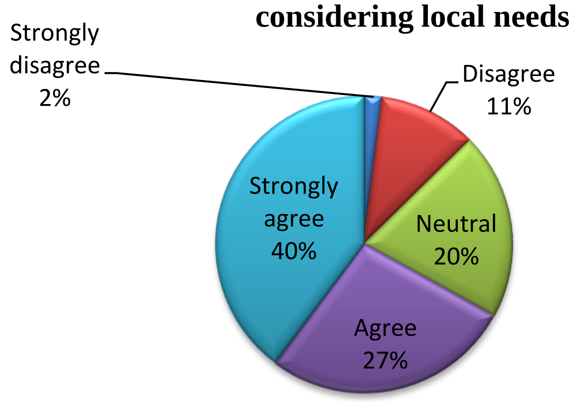
4.5.1.2. The role of IFRS in improving the accounting quality and financial performance in the UAE

The results show that 50.5% of the sample strongly agrees that IFRS improves the quality of accounting in the UAE companies while 41.7% agree. Overall, approximately 92% of the sample believes that IFRS has a strong role in increasing the quality of accounting in the UAE. Regards the financial performance, 85.5% of the respondents believe that IFRS improves the financial performance of the UAE companies. This explains the previous result of high percentage of the companies that adopt IFRS since these standards are in the interest of the companies because of its role in increasing the financial performance. Thus, all these results answer the second sub question where IFRS has a vital role in improving the quality of accounting and the financial performance. This study produced outcome that corroborate the results of a great deal of the previous work in this field like Barth, Landsman and Lang (2008).

4.5.1.3. Modifying IFRS in the UAE

Since the UAE is an Arabic country and it has a special financial character, figure 9 presents the results obtained from the study outcomes about modifying IFRS in the UAE to include local needs. Approximately 67% of the sample of the study shows that that IFRS needs to be modified and maybe they mean the language in the first level since IFRS require preparing financial statements in English. The point of language was strongly noted in receiving responses of the survey. Some respondents wrote their opinion in Arabic and others are asking why the survey is in English not in Arabic. It has to be noted that the respondents are specialists in accounting and auditing and they supposed to prepare their financial statements under IFRS which is in English. But mostly, they prepare financial statements under the rules of IFRS but in Arabic. The present finding seems to be consistent with other researches such as Aljifri and Khasharme (2006). Thus, this result answers the third sub question about modifying IFRS in the UAE.

Figure 9 : IFRS needs to be modified in the UAE considering local needs



4.5.2 Secondary Results

The aim of this subsection is to support the primary results where the outcome about the language used in preparing financial statements, the supervisory authority and the mandatory adoption of IFRS are justified in the meeting with the officials since the meeting outcome state that IFRS was adopted by the most companies in the UAE even before issuing a formal decision or mandatory adoption by the government. That was confirmed in the meeting with Mr. Rami Kamal Al Nsour, Financial Advisor in SCA where he asserts that there were no national accounting standards in the UAE similarly to Saudi Arabia, UK and USA. For this reason, most companies prefer and choose adopting IFRS and ignore other accounting standards before 2008. However, SCA issues Item number 7 of Rule 36 where this item states that the financial statements of the listed companies should be prepared in accordance with IFRS issued by IASB in Arabic and English language. Mr. Kamal was also asked about the organization that orders the work of accountants and auditors, he answered that the Ministry of Economy is the organization that responsible of doing this work. Mr. Al Nsour points out that there are a few companies in the UAE that do not adopt IFRS and they prefer to adopt other accounting standards that used before 2008.

By reference to the Authority records, Mr. Imad Fakhri Chreideh, administrative coordinator in SCA explains that Etisalat and RAK ceramics are from these companies. SCA gave opportunity to these companies to use IFRS in preparing their financial statements by the end of 2009. That was documented in the financial statements of the two companies in 2009. The point of not having national accounting standards in the UAE was proved by PWC (2012) in their list of the countries adopting IFRS. PWC state that in practice nearly all domestic and foreign companies in the UAE are preparing their accounts under IFRS in the absence of local GAAP. Furthermore, the website of deloitte (2012) verifies that all companies listed on the Abu Dhabi Securities Exchange (ADX), Dubai Financial Market (DFM) and NASDAQ Dubai (previously the Dubai International Financial Exchange or DIFX) are required to prepare their financial statements compliant with IFRS. In addition, deloitte maintains that all banks in the UAE are necessitated to issue IFRS financial statements by the Central Bank of UAE. Although IFRS financial statements are unbidden for unlisted firms, it is one of top practices for corporations to implement IFRSs. That was affirms by Dr. Adeeb Al Afifi (2012), Director of supporting foreign trade and exports in Abu Dhabi Department of Economic Development in his interview with Albayan newspaper where he revealed that for the majority of banks operating in the country rejects 80% of requests for small and medium-sized enterprises to get financing for their projects for technical reasons, most notably the lack of such projects accounting standards. He stressed that the commitment to IFRS projects preserves the rights of shareholders and customers, employees and the country, these projects also qualify projects for growth of small to medium companies and major. Dr. Al Afifi praised the UAE experience in small and medium-sized enterprises for pointing out that these projects are subject to strong oversight of the Ministry of Economy and several other government agencies, explaining that it is available in the UAE ten major accounting firms and some 75 national companies. In the contrary, the public sector is still considering the adoption of IFRS. That was confirmed by Ali Khalil Alshemsi (2011), Vice Chairman of the Association of Accountants and Auditors in his interview with Albayan newspaper where he remarks that the public sector intends to change from the system of "cash basis average" to system "accrual basis", which is a gateway to the application of IFRS set by the international Federation of Accountants (IFAC). Alshemsi predicted that changing the accounting standards of the federal government to IFRS takes a period of time ranging from two or three years, pointing out that the federal government will benefit in this area of expertise possessed by the Government of Dubai, which has prized the Arab world in adoption IFRS. However, this is not contradictory with the search results since Alshemsi was in 2011 while this study is about IFRS in 2013.

4.6. The Advantage of IFRS

IFRS has many advantages in a several aspects. However, the study highlights the advantage of IFRS in terms of avoiding financial crises, the interest of the investor financial performance, accounting quality and presenting financial reports. In light of all these factors, the survey points out many advantages of IFRS. These advantages are produced from analyzing the survey and from the written responses. The advantages are summarized in the following lines:

- Adoption of IFRS and its principal of transparency avoid systemic risk which has a powerful role in avoiding financial crises.
- IFRS improves the financial performance of the companies which calls the companies for adopting IFRS beside other advantages of IFRS.
- The principal of transparency required by IFRS increases the confidence of the investor in the company that adopting IFRS. In another words, that companies the adopting IFRS recently are expected to increase their number of investors.
- IFRS has a positive impact on the representation of the financial statements which makes reading and analyzing the statements easier for the investors regardless of their different levels.
- IFRS guidelines help safeguarding the interest of the investors in several mentioned aspects.
- Adoption of IFRS has a role in the growth of the organization which affects positively the economy as a whole.
- It’s easy for the company that adopts IFRS to get loans from banks since most banks trust in IFRS , because its principal of transparency ensure that the information included in the financial statements are real and not tolerate counterfeiting especially with the existence of the authority supervisory.
- IFRS enable Companies to present uniform acceptable Financial Statements for all users of those financial statements.
- It maximizes the credibility of companies' financials and the overall economy.

- IFRS provide a consistent platform for businesses to complete their financial statements and reports, transparently shows their value to the market (where accounts are published) and gives the chance for comparability assessment between businesses
- IFRS improve consistency in the financial reporting across the region.
- IFRS insure a minimum level of quality and allows interchangeability in the global economy.
- IFRS enhance comparability between companies.
- Adoption IFRS in the country making the participation and dealing with international stock markets much easier
- IFRS supply better communication with investors.
- Adoption IFRS improve financial decision making for the companies and the investors.
- Adoption of IFRS provides a high quality of accounting information.

These advantages are from the opinions of accountants and auditors. Two tests are applied to analyze whether the views and opinion of different demographic characters about the 22 statements of the survey are significantly different which is one of the study objectives The following two sections represent the results of Independent sample t-test and one-way Analysis of variance (ANOVA). Every statement is examined by the two tests.

4.7. Independent sample t-test

Independent sample t-test is used to test whether there is a significant difference between the job, employment sector and the years of the experience of the respondents with regards to the all statements of the survey. In the view of the fact that Independent sample t-test assists in determining the significance differences between two categories, the same idea has been applied in this study. This section will present and discuss the results of independent sample t-test (See appendix C). The section is divided into three subsections according to the categories of job, the employment sector and the years of the experience. The level of confidence used is 95% to measure the significant differences views.

4.7.1. Differences between jobs of the respondents

In general, the results point to there is no significant difference between the jobs of the respondents with regard to the survey statements except for three ones. The first statement is about the role of independent directors, if it is crucial to the organization, particularly, in terms of safeguarding the interests of the investors. The investigation outcomes point out that there is a significant difference between accountants and auditors respondents with regard to the role of independent directors as can be seen from the table 1. This is clear from the difference in mean values given Table 1. (Accountants 4.4490 and auditors 4.4545 on a scale of 5.) Statistically, the difference is significant as the P-Value 0.034 < 0.05 at 95% level of confidence.

Table 1: Independent sample t-test result 1

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Accountant	49	4.4490	0.81441	.07749	0.034
Auditor	33	4.4545	0.60927	.12379	

The second statement is about the status of the company in terms of adopting IFRS. The results point out that there is a significant difference between auditors and others job with regard to the company adoption of IFRS as can be seen from the table 2. This is clear from the difference in mean values given in Table 2. (Auditors 4.7576 and other jobs 4.4286 on a scale of 5). Statistically, the difference is significant as the P-Value 0.004 < 0.05 at 95% level of confidence.

Table 2: Independent sample t-test result 2

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Auditor	33	4.7576	.50189	.08737	0.004
Others	21	4.4286	.74642	.16288	

The third statement is about if the high quality information should be provided by accounting department to take reliable decisions in order to avoid the crisis. The results remark that there is a significant difference between auditors and others job respondents with regard to providing the high quality information (See table 3). This is clear from the difference in mean values given in Table 3.

(Auditors 4.5455 and other jobs 4.7619 on a scale of 5) Statistically, the difference is significant as the P-Value 0.009 < 0.05 at 95% level of confidence.

Table 3: Independent sample t-test result 3

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Auditor	33	4.5455	.61699	.10740	0.009
Others	21	4.7619	.43644	.09524	

In general, the significant differences in the category of job exist in three statements from 22 statements. This means that the presence percentage is about 14% and it is low percentage. In general, it seems that there is no significant difference between the jobs of the respondents with regard to the survey statements.

4.7.2. Differences between employment sector of the respondents

In general, the results show that there is no significant difference between the employment sectors of the respondents with regard to the survey statements except for one statement. The statement is about the status of the company in terms of adopting IFRS. The results prove that there is a significant difference between government and private respondents with regard to the company adoption of IFRS as can be seen from the table 4. This is clear from the difference in mean values given in Table 4. (Government 4.4490 and Private 4.2553 on a scale of 5). Statistically, the difference is significant as the P-Value 0.000 < 0.05 at 95% level of confidence.

Table 4: Independent sample t-test result 4

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Government	49	4.4490	.76543	.10935	0.000
Private	47	4.2553	.76522	.11162	

In general, the significant differences in the category of employment sectors exist in one statement from 22 statements. This means that the presence percentage is about 4.5% and it is low percentage. In general, it seems that there is no significant difference between employment sectors of the respondents with regard to the survey statements.

4.7.3. Differences between years of the experience of the respondents

In general, the results show there is no significant difference between the years of experience of the respondents with regard to the survey statements except for 11 statements. The first statement is about the role of IFRS in improving the quality of accounting in the UAE companies. The results show that there is a significant difference between the employees that have Less than 5 years of experience and the employees that have 6 to 10 years of experience with regard to the role of IFRS in improving the quality of accounting as can be shown from the table 5. This is clear from the difference in mean values given in Table 5. (Less than 5 years 4.5106 and 6 to 10 years 4.3846 on a scale of 5). Statistically, the difference is significant as the P-Value 0.034 < 0.05 at 95% level of confidence.

Table 5: Independent sample t-test result 5

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Less than 5 years	47	4.5106	.54662	.07973	0.034
6 to 10 years	39	4.3846	.71139	.11391	

In addition, there is a significant difference between the employees that have Less than 5 years of experience and the employees that have 6 to 10 years of experience with regard to the existence of the supervisory authority to ensure adoption of IFRS in the UAE companies (See table 6). This is clear from the difference in mean values given in Table 5. (Less than 5 years 4.0851 and 6 to 10 years 4.3333 on a scale of 5). Statistically, the difference is significant as the P-Value 0.042 < 0.05 at 95% level of confidence.

Table 6: Independent sample t-test result 6

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Less than 5 years	47	4.0851	1.10000	.16045	0.042
6 to 10 years	39	4.3333	.57735	.09245	

The following statement is about the mandatory adoption of IFRS in the UAE in 2008 and if this step was introduced because of the financial crisis 2007/2008 or not. The results confirm that there is a significant difference between the employees that have Less than 5 years of experience and the employees that have 6 to 10 years of experience with regard to this statement (See table 7). This is clear from the difference in mean values given in Table 7. (Less than 5 years 4.3404 and 6 to 10 years 4.4615 on a scale of 5). Statistically, the difference is significant as the P-Value 0.020 < 0.05 at 95% level of confidence.

Table 7: Independent sample t-test result 7

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Less than 5 years	47	4.3404	.89142	.13003	0.020
6 to 10 years	39	4.4615	.64262	.10290	

Furthermore, there is a significant difference between the employees that have Less than 5 years of experience and the employees that have six to ten years of experience with regard to the easiness of getting loans from banks if IFRS is adopted as can be seen in table 8. This is clear from the difference in mean values given in Table 5. (Less than 5 years 4.3617 and 6 to 10 years 4.5641 on a scale of 5). Statistically, the difference is significant as the P-Value 0.009 < 0.05 at 95% level of confidence.

Table 8: Independent sample t-test result 8

Criteria	No. of Sample	Mean	St. Deviation	Std. Error Mean	p-value
Less than 5 years	47	4.3617	.87042	.12696	0.009
6 to 10 years	39	4.5641	.50236	.08044	

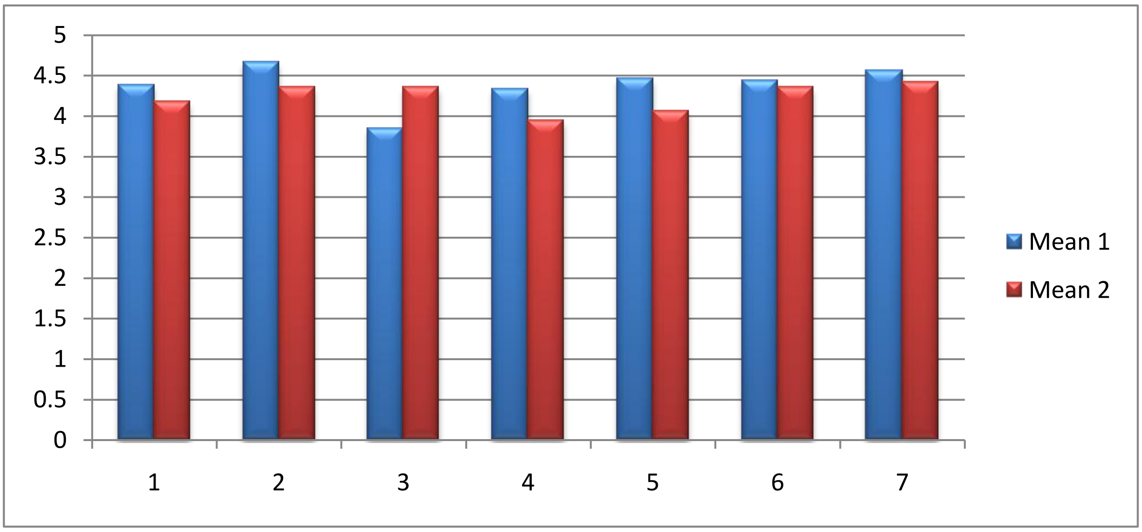
Table 9 shows the significant difference between the employees that have six to ten years of experience and the employees that have more than 11 years with regard to the following statements. In addition the table shows the significantly with 95% of the confidence level.

Table 9: Independent sample t-test result 9

Sequence	Statement	p-value
1	The level of application of IFRS in the UAE is good.	0.019
2	Our company adopts IFRS.	0.000
3	IFRS needs to be modified in the UAE considering local needs.	0.02
4	There is a supervisory authority to ensure adoption of IFRS in our company.	0.032
5	Uniformity in the rules for reporting the profits made by a company would help avoid future crisis and shock to the investors.	0.026
6	Companies that do not allow sufficient provision for bad debts and other contingencies pose serious problems for the economy as a whole	0.039
7	It is easy to get loans from banks if IFRS is adopted	0.013

From the data in Table 9, it is apparent that the difference is significant as the P-Values are less than 0.05 at 95% level of confidence. In addition, this is clear from the difference in mean values given in Figure 10 where the horizontal axis represents the Sequence of the statements as in Table 9 and the vertical axis presents the values of the mean. In addition, Mean 1 is the mean of the six to ten years of experience and Mean 2 is the mean of more than 11 years.

Figure 10: The differences between mean values of six to ten years of experience and more than 11 years



In general, the significant differences in the category of the year of the experience exist in eleven statements from 22 statements. This means that the presence percentage is about 50% and it is high percentage. In general, it seems that there is a significant difference between the employee's years of experience with regard to the survey statements.

In conclusion and according to the results of Independent sample t-test, there is no significant difference between the category of jobs and the employment sector of the respondents with regard to the survey statements. However, there is a significant difference between the categories of the year of the experience with regard to the survey statements.

4.8. One- way Analysis of Variance (ANOVA) Test

Analysis of variance (ANOVA) is used to find if the responses are answering the questionnaire statements depending on factors of their job, the employment sector or the years of the experience. The results show that there is no significant difference between the responses and above factors except in the statement 13 (See appendix D) which asks if the high quality information should be provided by accounting department to take reliable decisions in order to avoid the crisis. Table 10 show the ANOVA results where it is significant in the level of 95% as the P-Values 0.030 is less than 0.05. Since the statement is about the accounting department, it is obviously that there is a significant difference between accountants, auditor and other jobs.

Table 10: ANOVA results of statement 13

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	2.961	2	1.481	3.632	.030
Within Groups	40.767	100	.408		
Total	43.728	102			

However, the results of ANOVA test prove that there is no significant difference on the whole amongst the different groups of respondents regarding to job, employment sector and the years of the experience.

4.9. Summary

In brief, the first null hypothesis is accepted which means that the adoption of IFRS and financial crises are not independent of each other. This outcome proves that noncompliance with IFRS has a role in the financial crises of 2007/2008 and can lead to more crises in the future. In addition, the second null hypothesis is rejected which means that IFRS guidelines are in safeguarding the interest of the investors. Moreover, the results point out that the level of the adoption of IFRS in the UAE is good in the private and governments sectors. The results show that IFRS is in need to be modified when it is adopted in the UAE especially in the issues related by the language. Additionally, the results show that IFRS has a role in improving the quality of accounting and the financial performance of the UAE companies. It worth mentioning that the study highlights some advantage of IFRS in terms of avoiding financial crises, the interest of the investor financial performance, accounting quality and presenting financial reports. Last but not least, the results of Independent sample t-test and ANOVA test shows that there is no significant difference between the category of jobs and the employment sector of the respondents with regard to the survey statements. However, there is a significant difference between the categories of the year of the experience with regard to the survey statements. These findings are in line with the most articles discussed earlier.

Chapter 5

Conclusions and Recommendations

5.1. Introduction

This study has given an account of and the reasons for the widespread adopt IFRS in the UAE in particular and all over the world in general with focusing in the interest of the investor and the financial crises. As a result, this chapter presents the summary of the study based on analyzing and discussion the results in the light of the study hypotheses, questions and objectives. The chapter has been divided into two sections in addition to this section. The second section is the conclusion which presents the procedures of the study and its results. The third section is the recommendations which are suggested based on the results of the study. These recommendations are to the financial practitioners whose are the accountants and auditors, supervisory authority, investors, compnies and researchers.

5.2. Conclusion

This study is basically designed for inspecting the level and the importance of adoption of IFRS in the UAE, evaluating the role of IFRS in the financial crises, analyzing whether the IFRS guidelines are in the interest of the investors and public and investigating whether the opinions of different demographic characters about the IFRS and the above items in the UAE are significant differ. As a start, the study reviews the most significant articles related to the study subjects, summarizes their results and discusses to compare it with the study outcomes. To get the results and achieve the study objectives, survey questionnaire is designed and analyzed. In addition to this primary data, the study used secondary resources which are meeting financial officials, observing some articles of newspapers, and reliable web sites. The results of the study are summarized in the following lines:

- Not compliance with IFRS has a role in the financial crises 2007/2008 and can cause more crises in the future. This was agreed by 91.3% of the sample. In spite of the wide spread of IFRS adoption all over the world, still some countries and some financial organization not completely commitment with IFRS generally and the concept of transparency particularly. That was one of the main causes of financial crises. This result leads to accept the first null hypothesis of the study.

- IFRS is the best accounting standard globally in terms of avoiding financial crises and in terms of the interest of the investors.
- The results prove by 95.1% that IFRS guidelines play a vital role in safeguarding the interest of the investors in many ways such as the role of independent directors, the method of reporting the profits, representation of the financial statements and the required transparency. This result leads to reject the second null hypothesis of the study.
- The results point out that the level of the adoption of IFRS in the UAE is high where 93% of the private companies and governments organization adopt IFRS.
- There is a supervisory authority represented by the Ministry of Economy in the UAE to guarantee the adoption of IFRS in the companies.
- IFRS has fundamental role in improving the quality of accounting, growth of the organization and the financial performance of the UAE companies. In addition, it has a positive impact on the representation of the financial statements.
- The results show by 67% that IFRS is in need to be modified when it is adopted in the UAE especially in the issues related by the language. Although that there is a law states that the UAE companies should prepare its financial statements in accordance with IFRS in Arabic and English language
- The study highlights the most important advantage of IFRS in terms of avoiding financial crises, the interest of the investor financial performance, accounting quality and presenting financial reports.
- There is no significant difference between the category of jobs and the employment sector of the respondents with regard to the study topic. However, there is a significant difference between the categories of the year of the experience with regard to the survey statements.
- The results prove that the companies adopted IFRS can get loans from banks if easily because of the trust of banks on IFRS.
- The study summarizes some causes of 2007/2008 financial crisis like non-uniformity in accounting standards and high level of debt financing.

5.3. Recommendations

This section has been divided into four subsections according to the recommendations of the financial practitioners, supervisory authority, investors, companies and researchers.

5.3.1. Recommendations to the Financial Practitioners

- Prepare the financial statements under the role of IFRS for many reasons. The most important reasons are avoiding more financial crises. In case of not following some items of IFRS, that shall be stated in the notes of financial statements.
- Prepare the financial statements in Arabic and English language to access to the largest number of investors.
- In case of inability of all the IFRS standards, the accountant should attend a course to learn more. This recommendation was suggested because of some respondents where they ask for more information about IFRS. Although they are a small proportion, but it may affect the adoption of IFRS.

5.3.2. Recommendations to the Supervisory Authority

- Increase the supervisory performance to 100% for ensuring the adoption of IFRS since the results show that 86.4% of the sample confirms that there is a supervisory authority to ensure adoption of IFRS in the UAE companies and organization.
- Prepare and implement several periodic courses about IFRS and its principals at the request of many respondents.

5.3.3. Recommendations to the Investors

- Invest the money in the companies that adopt IFRS to save the fund and to avoid future shocking.
- Follow up the financial statements of the invested company that prepared under IFRS and analyze the supplied data by calculating the key financial ratios. These steps help in determine the financial position of the company and in making wise financial decisions.

- Follow-up reports and data issued by the supervisory authorities to make sure from the companies that adopted IFRS.

5.3.4. Recommendations to the Companies

- Adopt IFRS completely to get many features; the most important one is the trust of the investors and banks. In addition, this step enhances accessing the international market.
- Put the investor's interest above all interests to increase the investor confidence in the company. That has a role in strengthen the company financial situation.
- Committed to the principle of transparency to avoid shocking the investor.

5.3.5. Recommendations to the Researchers

- Do many such research because of its positive impact on the finance as a whole.
- Deliver their recommendation of their findings to the competent authorities for execution and not merely by stating it in their research.
- This study can be improved by researcher in the future by increasing the sample and study the private and government sectors separately.

In general, the adoption of IFRS in the UAE is high and there is a growing interest to these standards which predicts a secure financial future for public sector, private sector and investors.

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Appendix

Table of Appendix

Appendix A

Adoption of International Financing Reporting Standards (IFRS) in the UAE
A Survey*
Student Name: Fatmah Mohamed Alyammahi

Name (optional): ……………………………………………………….

Job: □ **Accountant** □**Auditor** □ **Others**

Where are you employed? □**Government** □**Private** □**Self Employed**

Years of Experience □ **less than 5 years** □ **6-10 years** □ **More than 11 years**

Please complete the following questionnaire according to your experience in accounting/ auditing in the UAE by putting (√) in the suitable box:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. The level of application of IFRS in the UAE is good.					
2. Our company adopts IFRS.					
3. IFRS improves the quality of accounting in the UAE companies.					
4. IFRS improves the financial performance of the UAE companies.					
5. IFRS needs to be modified in the UAE considering local needs.					
6. There is a supervisory authority to ensure adoption of IFRS in our company.					
7. Uniform accounting standards help avoid systemic risk and crisis					
8. Companies need to be more transparent in their financial reporting to avoid any future issues and problems such as economic crisis					
9. High level of debt financing do invariably contribute to systemic risk and global crisis					

10. Uniformity in the rules for reporting the profits made by a company would help avoid future crisis and shock to the investors.					
11. Enforcing uniform standards across all companies in a country would help avoid future crisis and loss of investor funds.					
12. The role of independent directors is crucial to the organization, particularly, in terms of safeguarding the interests of the investors.					
13. High quality information should be provided by accounting department to take reliable decisions in order to avoid the crisis.					
14. Companies that do not allow sufficient provision for bad debts and other contingencies pose serious problems for the economy as a whole.					
15. Practices such as manipulating provisions, maintaining hidden reserves should be avoided to ensure fairness in reporting.					
16. The mandatory adoption of IFRS in the UAE was in 2008. This step was introduced because of the financial crisis 2007/2008.					
17. The mandatory adoption of IFRS in the UAE has a positive impact on the representation of the financial statements.					
18. Noncompliance with IFRS and the principle of transparency have a role in the financial crisis 2007/2008.					
19. IFRS is the best accounting standard in the world in terms of interest of the investors.					
20. IFRS Standards help safeguarding the interest of the investors.					
21. Adoption of IFRS has a role in the growth of the organization.					
22. It is easy to get loans from banks if IFRS is adopted.					

Please, answer the following questions based on your experience in accounting/ auditing in the UAE. Your responses and comments will be kept strictly confidential.

Through your experience, what are the advantages of adoption IAS/IFRS in the UAE?

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

In your opinion, what are the measures that should be included in IFRS for the safety of the investors and the growth of the financial organization?

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

Please write any further comments. Your responses and comments will be kept strictly confidential.

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

Thank you for your cooperation

**Dear Participant,*
This survey is a part of my MSc (Finance & Banking) Dissertation work which is aimed at examining the reporting standards and the global economic crisis. It analyzes whether adoption of IFRS standards has helped the UAE companies to improve their reporting standards and the factors which contributed to the crisis from the accounting perspectives. It also aims at examining whether the interests of the investors would be protected if the reporting standards are improved.
Your information will be used only for research purposes and the responses will be kept confidential.
Yours faithfully,
Fatmah Mohamed Alyammahi

Appendix B

Frequency Table

A_1_Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Accountant	49	47.6	47.6	47.6
	Auditor	33	32.0	32.0	79.6
	Others	21	20.4	20.4	100.0
	Total	103	100.0	100.0	

A_2_Employ

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government	49	47.6	47.6	47.6
	Private	47	45.6	45.6	93.2
	Self_Employed	7	6.8	6.8	100.0
	Total	103	100.0	100.0	

A_3_Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	47	45.6	45.6	45.6
	6 to 10 years	39	37.9	37.9	83.5
	more than 11 years	17	16.5	16.5	100.0
	Total	103	100.0	100.0	

B_1_levelGood

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Neutral	8	7.8	7.8	10.7
	Agree	40	38.8	38.8	49.5
	Strongly Agree	52	50.5	50.5	100.0
	Total	103	100.0	100.0	

B_2_adoptIFRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neutral	6	5.8	5.8	6.8
	Agree	23	22.3	22.3	29.1
	Strongly Agree	73	70.9	70.9	100.0
	Total	103	100.0	100.0	

B_3_ImproveQua#

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neutral	7	6.8	6.8	7.8
	Agree	43	41.7	41.7	49.5
	Strongly Agree	52	50.5	50.5	100.0
	Total	103	100.0	100.0	

B_4_ImprovePerformance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Didagree	3	2.9	2.9	2.9
	Neutral	12	11.7	11.7	14.6
	Agree	42	40.8	40.8	55.3
	Srongly Agree	46	44.7	44.7	100.0
	Total	103	100.0	100.0	

B_5_NeedModify

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	1.9	1.9	1.9
	Disagree	11	10.7	10.7	12.6
	Neutral	21	20.4	20.4	33.0
	Agree	28	27.2	27.2	60.2
	Strongly agree	41	39.8	39.8	100.0
	Total	103	100.0	100.0	

B_6_Supervisory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.9	1.9	1.9
	Disagree	7	6.8	6.8	8.7
	Neutral	5	4.9	4.9	13.6
	Agree	48	46.6	46.6	60.2
	Strongly agree	41	39.8	39.8	100.0
	Total	103	100.0	100.0	

B_7_UniformAvoid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neutral	4	3.9	3.9	4.9
	Agree	45	43.7	43.7	48.5
	Strongly Agree	53	51.5	51.5	100.0
	Total	103	100.0	100.0	

B_8_Transparent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	2	1.9	1.9	1.9
	Agree	45	43.7	43.7	45.6
	Strongly agree	56	54.4	54.4	100.0
	Total	103	100.0	100.0	

B_9_LevelDebt

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Neutral	5	4.9	4.9	7.8
	Agree	51	49.5	49.5	57.3
	Strongly agree	44	42.7	42.7	100.0
	Total	103	100.0	100.0	

B_10_UniformPro#

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.9	3.9	3.9
	Neutral	6	5.8	5.8	9.7
	Agree	43	41.7	41.7	51.5
	Strongly agree	50	48.5	48.5	100.0
	Total	103	100.0	100.0	

B_11_EnForcing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Neutral	7	6.8	6.8	9.7
	Agree	42	40.8	40.8	50.5
	Strongly agree	51	49.5	49.5	100.0
	Total	103	100.0	100.0	

B_12_Role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	6	5.8	5.8	5.8
	agree	47	45.6	45.6	51.5
	Strongly agree	50	48.5	48.5	100.0
	Total	103	100.0	100.0	

B_13_HighQuality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neutral	6	5.8	5.8	6.8
	Agree	38	36.9	36.9	43.7
	Strongly agree	58	56.3	56.3	100.0
	Total	103	100.0	100.0	

B_14_SufficientPro#

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.0	1.0	1.0
	Disagree	2	1.9	1.9	2.9
	Neutral	6	5.8	5.8	8.7
	Agree	41	39.8	39.8	48.5
	Strongly agree	53	51.5	51.5	100.0
	Total	103	100.0	100.0	

B_15_Practices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.0	1.0	1.0
	Disagree	1	1.0	1.0	1.9
	Neutral	8	7.8	7.8	9.7
	Agree	39	37.9	37.9	47.6
	Strongly Agree	54	52.4	52.4	100.0
	Total	103	100.0	100.0	

B_16_Mandatory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.9	2.9	2.9
	Neutral	13	12.6	12.6	15.5
	Agree	35	34.0	34.0	49.5
	Strongly agree	52	50.5	50.5	100.0
	Total	103	100.0	100.0	

B_17_Poisistve

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.0	1.0	1.0
	Neutral	4	3.9	3.9	4.9
	Agree	42	40.8	40.8	45.6
	Strongly agree	56	54.4	54.4	100.0
	Total	103	100.0	100.0	

B_18_Noncompliance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.0	1.0	1.0
	Disagree	1	1.0	1.0	1.9
	Neutral	7	6.8	6.8	8.7
	Agree	49	47.6	47.6	56.3
	Strongly agree	45	43.7	43.7	100.0
	Total	103	100.0	100.0	

B_19_Best

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.0	1.0	1.0
	Disagree	4	3.9	3.9	4.9
	Neutral	8	7.8	7.8	12.6
	Agree	42	40.8	40.8	53.4
	Strongly agree	48	46.6	46.6	100.0
	Total	103	100.0	100.0	

B_20_Safeguard

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	5	4.9	4.9	4.9
	Agree	48	46.6	46.6	51.5
	Strongly agree	50	48.5	48.5	100.0
	Total	103	100.0	100.0	

B_21_Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Neutral	7	6.8	6.8	9.7
	Agree	47	45.6	45.6	55.3
	Strongly agree	46	44.7	44.7	100.0
	Total	103	100.0	100.0	

B_22_Easy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.9	2.9	2.9
	Neutral	5	4.9	4.9	7.8
	Agree	38	36.9	36.9	44.7
	Strongly agree	57	55.3	55.3	100.0
	Total	103	100.0	100.0	

Appendix C

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
B_1_levelGood	Equal variances assumed	2.200	.142	.085	80	.932	.01422	.16647	-.31705	.34550
	Equal variances not assumed			.090	79.045	.928	.01422	.15743	-.29913	.32758
B_2_adoptIFRS	Equal variances assumed	2.887	.093	-.914	80	.363	-.12492	.13663	-.39682	.14697
	Equal variances not assumed			-.966	78.955	.337	-.12492	.12933	-.38235	.13251
B_3_ImproveQua#	Equal variances assumed	.296	.588	-.869	80	.387	-.12740	.14654	-.41901	.16422
	Equal variances not assumed			-.862	66.807	.392	-.12740	.14776	-.42235	.16756
B_4_ImprovePerformance	Equal variances assumed	.800	.374	-.273	80	.785	-.04824	.17638	-.39924	.30276
	Equal variances not assumed			-.286	77.712	.776	-.04824	.16869	-.38409	.28761
B_5_NeedModify	Equal variances assumed	.334	.565	.353	80	.725	.09029	.25559	-.41836	.59894

	Equal variances not assumed			.349	65.939	.728	.09029	.25866	-.42614	.60672
B_6_Supervisory	Equal variances assumed	.794	.376	-.412	80	.682	-.08967	.21772	-.52295	.34361
	Equal variances not assumed			-.422	74.303	.674	-.08967	.21239	-.51283	.33349
B_7_UniformAvoid	Equal variances assumed	.099	.754	-.176	80	.860	-.02597	.14720	-.31891	.26696
	Equal variances not assumed			-.180	72.956	.858	-.02597	.14453	-.31403	.26208
B_8_Transparent	Equal variances assumed	.067	.796	.447	80	.656	.05566	.12443	-.19197	.30329
	Equal variances not assumed			.444	67.161	.658	.05566	.12529	-.19442	.30573
B_9_LevelDebt	Equal variances assumed	.697	.406	.655	80	.514	.09524	.14536	-.19404	.38451
	Equal variances not assumed			.672	74.407	.504	.09524	.14173	-.18713	.37761
B_10_UniformPro#	Equal variances assumed	1.446	.233	-.811	80	.420	-.13853	.17087	-.47857	.20152
	Equal variances not assumed			-.861	79.434	.392	-.13853	.16086	-.45869	.18163
B_11_EnForcing	Equal variances assumed	.869	.354	.562	80	.576	.09524	.16952	-.24211	.43259

	Equal variances not assumed			.546	61.953	.587	.09524	.17437	-.25333	.44381
B_12_Role	Equal variances assumed	4.641	.034	-.040	80	.968	-.00557	.13860	-.28139	.27025
	Equal variances not assumed			-.038	56.235	.970	-.00557	.14604	-.29810	.28696
B_13_HighQualit y	Equal variances assumed	.506	.479	-1.430	80	.157	-.21892	.15306	-.52352	.08567
	Equal variances not assumed			-1.474	75.278	.145	-.21892	.14856	-.51485	.07700
B_14_Sufficient Pro#	Equal variances assumed	.425	.516	-.723	80	.472	-.11750	.16245	-.44078	.20578
	Equal variances not assumed			-.757	77.857	.451	-.11750	.15520	-.42650	.19149
B_15_Practices	Equal variances assumed	.026	.871	-1.116	80	.268	-.19913	.17846	-.55428	.15601
	Equal variances not assumed			-1.153	75.787	.253	-.19913	.17273	-.54318	.14491
B_16_Mandator y	Equal variances assumed	.029	.865	.543	80	.589	.09462	.17431	-.25227	.44151
	Equal variances not assumed			.537	66.005	.593	.09462	.17635	-.25748	.44672
B_17_Poisistve	Equal variances assumed	.242	.624	-.382	80	.703	-.05628	.14733	-.34947	.23692

	Equal variances not assumed			-.380	67.250	.706	-.05628	.14829	-.35225	.23970
B_18_Noncompliance	Equal variances assumed	1.945	.167	.457	80	.649	.07421	.16248	-.24914	.39756
	Equal variances not assumed			.425	51.775	.673	.07421	.17469	-.27636	.42478
B_19_Best	Equal variances assumed	.001	.970	-.095	80	.925	-.01670	.17577	-.36649	.33309
	Equal variances not assumed			-.097	72.454	.923	-.01670	.17299	-.36151	.32811
B_20_Safeguard	Equal variances assumed	.089	.767	.115	80	.909	.01484	.12933	-.24253	.27221
	Equal variances not assumed			.115	70.181	.908	.01484	.12857	-.24158	.27126
B_21_Growth	Equal variances assumed	.080	.778	-1.631	80	.107	-.27087	.16611	-.60144	.05970
	Equal variances not assumed			-1.650	71.530	.103	-.27087	.16417	-.59817	.05643
B_22_Easy	Equal variances assumed	.352	.555	.203	80	.840	.03463	.17053	-.30474	.37401
	Equal variances not assumed			.197	61.360	.845	.03463	.17585	-.31696	.38622

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
B_1_levelGood	Equal variances assumed	2.200	.142	.085	80	.932	.01422	.16647	-.31705	.34550
	Equal variances not assumed			.090	79.045	.928	.01422	.15743	-.29913	.32758
B_2_adoptIFRS	Equal variances assumed	2.887	.093	-.914	80	.363	-.12492	.13663	-.39682	.14697
	Equal variances not assumed			-.966	78.955	.337	-.12492	.12933	-.38235	.13251
B_3_ImproveQua#	Equal variances assumed	.296	.588	-.869	80	.387	-.12740	.14654	-.41901	.16422
	Equal variances not assumed			-.862	66.807	.392	-.12740	.14776	-.42235	.16756
B_4_ImprovePerformance	Equal variances assumed	.800	.374	-.273	80	.785	-.04824	.17638	-.39924	.30276
	Equal variances not assumed			-.286	77.712	.776	-.04824	.16869	-.38409	.28761
B_5_NeedModify	Equal variances assumed	.334	.565	.353	80	.725	.09029	.25559	-.41836	.59894
	Equal variances not assumed			.349	65.939	.728	.09029	.25866	-.42614	.60672
B_6_Supervisory	Equal variances assumed	.794	.376	-.412	80	.682	-.08967	.21772	-.52295	.34361
	Equal variances not assumed			-.422	74.303	.674	-.08967	.21239	-.51283	.33349
B_7_UniformAvoid	Equal variances assumed	.099	.754	-.176	80	.860	-.02597	.14720	-.31891	.26696
	Equal variances not assumed			-.180	72.956	.858	-.02597	.14453	-.31403	.26208
B_8_Transparen	Equal variances assumed	.067	.796	.447	80	.656	.05566	.12443	-.19197	.30329

t	Equal variances not assumed			.444	67.161	.658	.05566	.12529	-.19442	.30573
B_9_LevelDebt	Equal variances assumed	.697	.406	.655	80	.514	.09524	.14536	-.19404	.38451
	Equal variances not assumed			.672	74.407	.504	.09524	.14173	-.18713	.37761
B_10_UniformPro#	Equal variances assumed	1.446	.233	-.811	80	.420	-.13853	.17087	-.47857	.20152
	Equal variances not assumed			-.861	79.434	.392	-.13853	.16086	-.45869	.18163
B_11_EnForcing	Equal variances assumed	.869	.354	.562	80	.576	.09524	.16952	-.24211	.43259
	Equal variances not assumed			.546	61.953	.587	.09524	.17437	-.25333	.44381
B_12_Role	Equal variances assumed	4.641	.034	-.040	80	.968	-.00557	.13860	-.28139	.27025
	Equal variances not assumed			-.038	56.235	.970	-.00557	.14604	-.29810	.28696
B_13_HighQuality	Equal variances assumed	.506	.479	-1.430	80	.157	-.21892	.15306	-.52352	.08567
	Equal variances not assumed			-1.474	75.278	.145	-.21892	.14856	-.51485	.07700
B_14_SufficientPro#	Equal variances assumed	.425	.516	-.723	80	.472	-.11750	.16245	-.44078	.20578
	Equal variances not assumed			-.757	77.857	.451	-.11750	.15520	-.42650	.19149
B_15_Practices	Equal variances assumed	.026	.871	-1.116	80	.268	-.19913	.17846	-.55428	.15601
	Equal variances not assumed			-1.153	75.787	.253	-.19913	.17273	-.54318	.14491
B_16_Mandatory	Equal variances assumed	.029	.865	.543	80	.589	.09462	.17431	-.25227	.44151

	Equal variances not assumed			.537	66.005	.593	.09462	.17635	-.25748	.44672
B_17_Poisistve	Equal variances assumed	.242	.624	-.382	80	.703	-.05628	.14733	-.34947	.23692
	Equal variances not assumed			-.380	67.250	.706	-.05628	.14829	-.35225	.23970
B_18_Noncompliance	Equal variances assumed	1.945	.167	.457	80	.649	.07421	.16248	-.24914	.39756
	Equal variances not assumed			.425	51.775	.673	.07421	.17469	-.27636	.42478
B_19_Best	Equal variances assumed	.001	.970	-.095	80	.925	-.01670	.17577	-.36649	.33309
	Equal variances not assumed			-.097	72.454	.923	-.01670	.17299	-.36151	.32811
B_20_Safeguard	Equal variances assumed	.089	.767	.115	80	.909	.01484	.12933	-.24253	.27221
	Equal variances not assumed			.115	70.181	.908	.01484	.12857	-.24158	.27126
B_21_Growth	Equal variances assumed	.080	.778	-1.631	80	.107	-.27087	.16611	-.60144	.05970
	Equal variances not assumed			-1.650	71.530	.103	-.27087	.16417	-.59817	.05643
B_22_Easy	Equal variances assumed	.352	.555	.203	80	.840	.03463	.17053	-.30474	.37401
	Equal variances not assumed			.197	61.360	.845	.03463	.17585	-.31696	.38622

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	Upper
B_1_levelGood	Equal variances assumed	2.479	.119	.265	84	.792	.04092	.15447	-.26626	.34810
	Equal variances not assumed			.272	82.921	.786	.04092	.15022	-.25788	.33971
B_2_adoptIFRS	Equal variances assumed	.083	.774	.303	84	.763	.03546	.11697	-.19715	.26807
	Equal variances not assumed			.304	82.033	.762	.03546	.11659	-.19648	.26740
B_3_ImproveQua#	Equal variances assumed	4.656	.034	.929	84	.356	.12602	.13571	-.14386	.39590
	Equal variances not assumed			.906	70.397	.368	.12602	.13905	-.15127	.40331
B_4_ImprovePerformance	Equal variances assumed	.461	.499	.802	84	.425	.13530	.16863	-.20005	.47064
	Equal variances not assumed			.810	83.446	.420	.13530	.16694	-.19672	.46731
B_5_NeedModify	Equal variances assumed	.826	.366	-.066	84	.948	-.01637	.24980	-.51311	.48038
	Equal variances not assumed			-.065	80.806	.948	-.01637	.25002	-.51385	.48112

B_6_Supervisory	Equal variances assumed	4.277	.042	-1.271	84	.207	-.24823	.19535	-.63671	.14026
	Equal variances not assumed			-1.340	72.006	.184	-.24823	.18518	-.61738	.12092
B_7_UniformAvoid	Equal variances assumed	1.306	.256	-.903	84	.369	-.12548	.13901	-.40191	.15095
	Equal variances not assumed			-.923	83.807	.359	-.12548	.13599	-.39592	.14496
B_8_Transparent	Equal variances assumed	1.581	.212	-.018	84	.985	-.00218	.11932	-.23946	.23509
	Equal variances not assumed			-.019	83.835	.985	-.00218	.11772	-.23628	.23192
B_9_LevelDebt	Equal variances assumed	.879	.351	1.138	84	.258	.16476	.14475	-.12310	.45261
	Equal variances not assumed			1.156	83.969	.251	.16476	.14248	-.11859	.44810
B_10_UniformPro#	Equal variances assumed	2.946	.090	-.663	84	.509	-.09984	.15048	-.39909	.19942
	Equal variances not assumed			-.685	81.842	.495	-.09984	.14572	-.38973	.19005
B_11_EnForcing	Equal variances assumed	2.936	.090	-.309	84	.758	-.04855	.15728	-.36132	.26421
	Equal variances not assumed			-.318	82.639	.751	-.04855	.15276	-.35241	.25530

B_12_Role	Equal variances assumed	.528	.470	-.852	84	.397	-.10857	.12741	-.36193	.14480
	Equal variances not assumed			-.860	83.322	.392	-.10857	.12623	-.35962	.14249
B_13_HighQuality	Equal variances assumed	.627	.431	-.515	84	.608	-.07038	.13657	-.34197	.20121
	Equal variances not assumed			-.520	83.125	.605	-.07038	.13547	-.33981	.19906
B_14_SufficientPro#	Equal variances assumed	1.214	.274	-.506	84	.614	-.07420	.14653	-.36558	.21719
	Equal variances not assumed			-.516	83.975	.607	-.07420	.14375	-.36006	.21167
B_15_Practices	Equal variances assumed	.759	.386	.288	84	.774	.04528	.15729	-.26751	.35807
	Equal variances not assumed			.287	79.734	.775	.04528	.15792	-.26901	.35957
B_16_Mandatory	Equal variances assumed	5.662	.020	-.709	84	.480	-.12111	.17083	-.46082	.21859
	Equal variances not assumed			-.730	82.493	.467	-.12111	.16582	-.45095	.20872
B_17_Poisistve	Equal variances assumed	.410	.524	-.433	84	.666	-.05346	.12356	-.29918	.19225
	Equal variances not assumed			-.435	82.573	.665	-.05346	.12289	-.29791	.19098

B_18_Noncompliance	Equal variances assumed	2.869	.094	-1.612	84	.111	-.25314	.15707	-.56548	.05921
	Equal variances not assumed			-1.688	76.120	.096	-.25314	.14999	-.55186	.04559
B_19_Best	Equal variances assumed	2.831	.096	-1.648	84	.103	-.27441	.16647	-.60546	.05663
	Equal variances not assumed			-1.706	81.116	.092	-.27441	.16083	-.59441	.04558
B_20_Safeguard	Equal variances assumed	.889	.349	-.047	84	.962	-.00600	.12673	-.25802	.24602
	Equal variances not assumed			-.048	83.506	.962	-.00600	.12541	-.25541	.24341
B_21_Growth	Equal variances assumed	.031	.861	-.700	84	.486	-.10802	.15432	-.41489	.19886
	Equal variances not assumed			-.706	83.320	.482	-.10802	.15290	-.41211	.19607
B_22_Easy	Equal variances assumed	7.115	.009	-1.285	84	.202	-.20240	.15755	-.51571	.11091
	Equal variances not assumed			-1.347	75.597	.182	-.20240	.15030	-.50178	.09698

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
B_1_levelGood	Equal variances assumed	1.036	.313	.794	52	.431	.15584	.19620	-.23786	.54955
	Equal variances not assumed			.742	33.570	.463	.15584	.21007	-.27127	.58296
B_2_adoptIFRS	Equal variances assumed	9.027	.004	1.939	52	.058	.32900	.16964	-.01140	.66940
	Equal variances not assumed			1.780	31.533	.085	.32900	.18483	-.04771	.70572
B_3_ImproveQua#	Equal variances assumed	.295	.589	.941	52	.351	.18182	.19320	-.20587	.56950
	Equal variances not assumed			.922	39.857	.362	.18182	.19719	-.21676	.58040
B_4_ImprovePerformance	Equal variances assumed	1.962	.167	-.533	52	.596	-.10823	.20299	-.51556	.29911
	Equal variances not assumed			-.512	37.216	.611	-.10823	.21122	-.53611	.31966
B_5_NeedModify	Equal variances assumed	1.573	.215	-.488	52	.627	-.15152	.31027	-.77412	.47109
	Equal variances not assumed			-.506	47.631	.615	-.15152	.29919	-.75320	.45017
B_6_Supervisory	Equal variances assumed	.079	.780	.283	52	.779	.06926	.24509	-.42255	.56108
	Equal variances not assumed			.286	44.169	.777	.06926	.24260	-.41962	.55814
B_7_UniformAvo	Equal variances assumed	1.501	.226	-.429	52	.670	-.06926	.16157	-.39347	.25494

id	Equal variances not assumed			-.447	48.289	.657	-.06926	.15494	-.38075	.24222
B_8_Transparent	Equal variances assumed	3.244	.077	-1.422	52	.161	-.21212	.14917	-.51144	.08720
	Equal variances not assumed			-1.472	47.443	.147	-.21212	.14406	-.50186	.07762
B_9_LevelDebt	Equal variances assumed	.022	.883	1.440	52	.156	.28571	.19847	-.11254	.68397
	Equal variances not assumed			1.327	32.055	.194	.28571	.21525	-.15271	.72414
B_10_UniformPro#	Equal variances assumed	.921	.342	.224	52	.824	.04329	.19360	-.34520	.43178
	Equal variances not assumed			.211	34.592	.834	.04329	.20557	-.37422	.46080
B_11_EnForcing	Equal variances assumed	1.381	.245	.219	52	.828	.04762	.21767	-.38917	.48441
	Equal variances not assumed			.225	46.731	.823	.04762	.21140	-.37774	.47297
B_12_Role	Equal variances assumed	2.184	.145	.655	52	.515	.12121	.18504	-.25009	.49251
	Equal variances not assumed			.686	48.819	.496	.12121	.17663	-.23376	.47619
B_13_HighQuality	Equal variances assumed	7.361	.009	-1.398	52	.168	-.21645	.15480	-.52708	.09418
	Equal variances not assumed			-1.508	51.331	.138	-.21645	.14355	-.50459	.07169
B_14_SufficientPro#	Equal variances assumed	2.775	.102	.931	52	.356	.19913	.21388	-.23006	.62832
	Equal variances not assumed			.848	30.708	.403	.19913	.23480	-.27993	.67819
B_15_Practices	Equal variances assumed	.977	.327	-.208	52	.836	-.03896	.18758	-.41536	.33744

	Equal variances not assumed			-.216	47.823	.830	-.03896	.18060	-.40211	.32418
B_16_Mandatory	Equal variances assumed	1.543	.220	-.054	52	.957	-.01299	.24122	-.49704	.47106
	Equal variances not assumed			-.052	37.223	.959	-.01299	.25098	-.52143	.49545
B_17_Poisistve	Equal variances assumed	3.387	.071	-.791	52	.432	-.13420	.16960	-.47452	.20612
	Equal variances not assumed			-.844	50.569	.403	-.13420	.15899	-.45346	.18506
B_18_Noncompliance	Equal variances assumed	.032	.859	-.257	52	.798	-.06061	.23614	-.53446	.41324
	Equal variances not assumed			-.262	45.731	.794	-.06061	.23109	-.52584	.40463
B_19_Best	Equal variances assumed	3.303	.075	1.492	52	.142	.36364	.24371	-.12541	.85268
	Equal variances not assumed			1.384	32.709	.176	.36364	.26283	-.17129	.89856
B_20_Safeguard	Equal variances assumed	.437	.512	.721	52	.474	.12121	.16806	-.21603	.45845
	Equal variances not assumed			.697	37.887	.490	.12121	.17400	-.23107	.47350
B_21_Growth	Equal variances assumed	.001	.970	.133	52	.894	.02597	.19481	-.36493	.41688
	Equal variances not assumed			.135	44.337	.893	.02597	.19259	-.36209	.41404
B_22_Easy	Equal variances assumed	1.310	.258	-.851	52	.399	-.17749	.20854	-.59596	.24098
	Equal variances not assumed			-.914	51.055	.365	-.17749	.19423	-.56741	.21243

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	Upper
B_1_levelGood	Equal variances assumed	.402	.529	-1.051	52	.298	-.31611	.30072	-.91955	.28733
	Equal variances not assumed			-1.370	10.099	.201	-.31611	.23081	-.82971	.19749
B_2_adoptIFRS	Equal variances assumed	3.300	.075	-.743	52	.461	-.13374	.17997	-.49488	.22740
	Equal variances not assumed			-.850	8.778	.418	-.13374	.15735	-.49106	.22358
B_3_ImproveQua#	Equal variances assumed	.073	.788	1.799	52	.078	.41033	.22803	-.04725	.86792
	Equal variances not assumed			1.505	7.154	.175	.41033	.27263	-.23152	1.05218
B_4_ImprovePerformance	Equal variances assumed	.045	.832	-.285	52	.777	-.09422	.33097	-.75837	.56992
	Equal variances not assumed			-.304	8.281	.769	-.09422	.31000	-.80488	.61643
B_5_NeedModify	Equal variances assumed	1.100	.299	.121	52	.904	.05775	.47843	-.90228	1.01779
	Equal variances not assumed			.151	9.595	.883	.05775	.38333	-.80127	.91677
B_6_Supervisory	Equal variances assumed	.187	.667	.563	52	.576	.17629	.31316	-.45211	.80469
	Equal variances not assumed			.619	8.482	.552	.17629	.28474	-.47388	.82646
B_7_UniformAvoi	Equal variances assumed	.211	.648	.331	52	.742	.08207	.24783	-.41524	.57938

d	Equal variances not assumed			.371	8.610	.720	.08207	.22141	-.42228	.58642
B_8_Transparent	Equal variances assumed	.065	.800	.666	52	.508	.14590	.21906	-.29369	.58548
	Equal variances not assumed			.673	7.950	.520	.14590	.21692	-.35487	.64667
B_9_LevelDebt	Equal variances assumed	1.560	.217	.184	52	.855	.05471	.29719	-.54164	.65107
	Equal variances not assumed			.254	10.929	.804	.05471	.21516	-.41923	.52866
B_10_UniformPro#	Equal variances assumed	.934	.338	-.675	52	.503	-.20973	.31061	-.83301	.41355
	Equal variances not assumed			-.901	10.419	.388	-.20973	.23273	-.72545	.30600
B_11_EnForcing	Equal variances assumed	2.777	.102	.109	52	.913	.03343	.30588	-.58035	.64722
	Equal variances not assumed			.154	11.271	.880	.03343	.21694	-.44265	.50952
B_12_Role	Equal variances assumed	.624	.433	-.012	52	.990	-.00304	.24620	-.49708	.49100
	Equal variances not assumed			-.014	8.570	.989	-.00304	.22115	-.50716	.50108
B_13_HighQuality	Equal variances assumed	2.759	.103	-1.059	52	.295	-.24620	.23253	-.71281	.22041
	Equal variances not assumed			-1.212	8.784	.257	-.24620	.20317	-.70753	.21512
B_14_SufficientPro#	Equal variances assumed	.529	.470	-.140	52	.890	-.03951	.28324	-.60788	.52885
	Equal variances not assumed			-.174	9.566	.866	-.03951	.22755	-.54966	.47064
B_15_Practices	Equal variances assumed	.471	.495	-.410	52	.684	-.12462	.30427	-.73519	.48595

	Equal variances not assumed			-.538	10.213	.602	-.12462	.23150	-.63897	.38973
B_16_Mandatory	Equal variances assumed	.144	.706	-.999	52	.322	-.33739	.33775	-1.01512	.34035
	Equal variances not assumed			-1.049	8.177	.324	-.33739	.32161	-1.07624	.40146
B_17_Poisistve	Equal variances assumed	.239	.627	-.567	52	.573	-.12462	.21998	-.56605	.31681
	Equal variances not assumed			-.574	7.970	.582	-.12462	.21706	-.62549	.37625
B_18_Noncompliance	Equal variances assumed	.412	.524	-.318	52	.751	-.08815	.27676	-.64351	.46722
	Equal variances not assumed			-.282	7.348	.786	-.08815	.31296	-.82112	.64483
B_19_Best	Equal variances assumed	.127	.723	-.631	52	.531	-.19453	.30844	-.81345	.42440
	Equal variances not assumed			-.613	7.754	.557	-.19453	.31727	-.93021	.54115
B_20_Safeguard	Equal variances assumed	.682	.413	.160	52	.874	.03951	.24756	-.45725	.53628
	Equal variances not assumed			.178	8.604	.862	.03951	.22137	-.46480	.54382
B_21_Growth	Equal variances assumed	.603	.441	-.753	52	.455	-.20973	.27846	-.76849	.34904
	Equal variances not assumed			-.925	9.427	.378	-.20973	.22668	-.71900	.29955
B_22_Easy	Equal variances assumed	.783	.380	-.441	52	.661	-.12462	.28277	-.69203	.44279
	Equal variances not assumed			-.548	9.552	.596	-.12462	.22746	-.63468	.38544

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	Upper
B_1_levelGood	Equal variances assumed	5.811	.019	1.000	54	.322	.20814	.20816	-.20918	.62547
	Equal variances not assumed			.835	21.565	.413	.20814	.24926	-.30939	.72567
B_2_adoptIFRS	Equal variances assumed	14.286	.000	1.540	54	.130	.31373	.20378	-.09483	.72228
	Equal variances not assumed			1.225	20.059	.235	.31373	.25610	-.22039	.84784
B_3_ImproveQua#	Equal variances assumed	.000	.990	.686	54	.496	.14932	.21766	-.28707	.58571
	Equal variances not assumed			.645	26.698	.525	.14932	.23159	-.32611	.62476
B_4_ImprovePerformance	Equal variances assumed	.021	.885	-.136	54	.892	-.03017	.22168	-.47461	.41428
	Equal variances not assumed			-.129	27.325	.898	-.03017	.23323	-.50844	.44811
B_5_NeedModify	Equal variances assumed	10.994	.002	-1.669	54	.101	-.50679	.30368	-1.11563	.10205
	Equal variances not assumed			-2.012	48.064	.050	-.50679	.25188	-1.01321	-.00036
B_6_Supervisory	Equal variances assumed	4.839	.032	1.764	54	.083	.39216	.22235	-.05363	.83794
	Equal variances not assumed			1.402	20.041	.176	.39216	.27961	-.19103	.97534
B_7_UniformAvo	Equal variances assumed	2.374	.129	-1.023	54	.311	-.15988	.15634	-.47332	.15356

id	Equal variances not assumed			-1.073	34.252	.291	-.15988	.14899	-.46258	.14282
B_8_Transparent	Equal variances assumed	1.103	.298	-.512	54	.611	-.07541	.14725	-.37062	.21979
	Equal variances not assumed			-.512	30.494	.612	-.07541	.14735	-.37615	.22532
B_9_LevelDebt	Equal variances assumed	.101	.752	1.133	54	.262	.22323	.19711	-.17195	.61841
	Equal variances not assumed			1.002	23.785	.326	.22323	.22272	-.23666	.68311
B_10_UniformPro#	Equal variances assumed	5.217	.026	1.903	54	.062	.40271	.21163	-.02158	.82701
	Equal variances not assumed			1.520	20.174	.144	.40271	.26490	-.14956	.95499
B_11_EnForcing	Equal variances assumed	1.559	.217	.588	54	.559	.11614	.19761	-.28005	.51232
	Equal variances not assumed			.512	23.131	.614	.11614	.22683	-.35296	.58523
B_12_Role	Equal variances assumed	.735	.395	1.260	54	.213	.21870	.17363	-.12940	.56680
	Equal variances not assumed			1.159	25.589	.257	.21870	.18870	-.16947	.60687
B_13_HighQuality	Equal variances assumed	.696	.408	.657	54	.514	.12670	.19298	-.26021	.51360
	Equal variances not assumed			.588	24.304	.562	.12670	.21549	-.31776	.57115
B_14_SufficientPro#	Equal variances assumed	4.497	.039	.352	54	.726	.08296	.23555	-.38929	.55521
	Equal variances not assumed			.277	19.747	.785	.08296	.29937	-.54202	.70793
B_15_Practices	Equal variances assumed	1.680	.200	-.476	54	.636	-.11161	.23468	-.58211	.35889

	Equal variances not assumed			-.433	25.052	.669	-.11161	.25785	-.64262	.41939
B_16_Mandatory	Equal variances assumed	1.110	.297	2.549	54	.014	.52036	.20411	.11116	.92957
	Equal variances not assumed			2.308	24.808	.030	.52036	.22542	.05592	.98480
B_17_Poisistve	Equal variances assumed	1.527	.222	1.747	54	.086	.32881	.18822	-.04855	.70616
	Equal variances not assumed			1.493	22.398	.149	.32881	.22018	-.12734	.78496
B_18_Noncompliance	Equal variances assumed	1.560	.217	1.841	54	.071	.31071	.16879	-.02769	.64911
	Equal variances not assumed			1.600	23.037	.123	.31071	.19421	-.09100	.71242
B_19_Best	Equal variances assumed	1.128	.293	2.121	54	.039	.48718	.22974	.02658	.94778
	Equal variances not assumed			1.693	20.155	.106	.48718	.28776	-.11277	1.08713
B_20_Safeguard	Equal variances assumed	.093	.762	-1.074	54	.288	-.17798	.16570	-.51019	.15423
	Equal variances not assumed			-1.024	27.499	.315	-.17798	.17380	-.53429	.17834
B_21_Growth	Equal variances assumed	.371	.545	.427	54	.671	.09050	.21210	-.33473	.51573
	Equal variances not assumed			.389	25.183	.700	.09050	.23241	-.38798	.56898
B_22_Easy	Equal variances assumed	6.534	.013	.915	54	.364	.15234	.16642	-.18132	.48600
	Equal variances not assumed			.799	23.231	.432	.15234	.19057	-.24166	.54634

Appendix D

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
B_1_levelGood	Between Groups	.456	2	.228	.396	.674
	Within Groups	57.525	100	.575		
	Total	57.981	102			
B_2_adoptIFRS	Between Groups	1.389	2	.695	1.711	.186
	Within Groups	40.591	100	.406		
	Total	41.981	102			
B_3_ImproveQua#	Between Groups	.507	2	.253	.569	.568
	Within Groups	44.542	100	.445		
	Total	45.049	102			
B_4_ImprovePerformance	Between Groups	.360	2	.180	.290	.749
	Within Groups	62.028	100	.620		
	Total	62.388	102			
B_5_NeedModify	Between Groups	.320	2	.160	.130	.878
	Within Groups	123.059	100	1.231		
	Total	123.379	102			
B_6_Supervisory	Between Groups	.163	2	.081	.091	.913
	Within Groups	89.352	100	.894		
	Total	89.515	102			
B_7_UniformAvoid	Between Groups	.133	2	.067	.169	.844
	Within Groups	39.420	100	.394		
	Total	39.553	102			
B_8_Transparent	Between Groups	.596	2	.298	1.024	.363
	Within Groups	29.093	100	.291		
	Total	29.689	102			
B_9_LevelDebt	Between Groups	2.141	2	1.071	2.217	.114
	Within Groups	48.286	100	.483		
	Total	50.427	102			
B_10_UniformPro#	Between Groups	.404	2	.202	.343	.711
	Within Groups	59.013	100	.590		
	Total	59.417	102			
B_11_EnForcing	Between Groups	.362	2	.181	.325	.723
	Within Groups	55.619	100	.556		
	Total	55.981	102			
B_12_Role	Between Groups	.233	2	.116	.315	.730
	Within Groups	36.971	100	.370		
	Total	37.204	102			

B_13_HighQuality	Between Groups	2.961	2	1.481	3.632	.030
	Within Groups	40.767	100	.408		
	Total	43.728	102			
B_14_SufficientPro#	Between Groups	.550	2	.275	.459	.633
	Within Groups	59.916	100	.599		
	Total	60.466	102			
B_15_Practices	Between Groups	1.199	2	.600	1.043	.356
	Within Groups	57.481	100	.575		
	Total	58.680	102			
B_16_Mandatory	Between Groups	.208	2	.104	.157	.855
	Within Groups	66.219	100	.662		
	Total	66.427	102			
B_17_Poisistve	Between Groups	.533	2	.267	.680	.509
	Within Groups	39.195	100	.392		
	Total	39.728	102			
B_18_Noncompliance	Between Groups	.113	2	.057	.104	.901
	Within Groups	54.314	100	.543		
	Total	54.427	102			
B_19_Best	Between Groups	2.097	2	1.048	1.482	.232
	Within Groups	70.738	100	.707		
	Total	72.835	102			
B_20_Safeguard	Between Groups	.287	2	.144	.410	.665
	Within Groups	35.053	100	.351		
	Total	35.340	102			
B_21_Growth	Between Groups	1.756	2	.878	1.667	.194
	Within Groups	52.672	100	.527		
	Total	54.427	102			
B_22_Easy	Between Groups	.435	2	.217	.410	.665
	Within Groups	53.022	100	.530		
	Total	53.456	102			

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
B_1_levelGood	Between Groups	1.208	2	.604	1.064	.349
	Within Groups	56.773	100	.568		
	Total	57.981	102			
B_2_adoptIFRS	Between Groups	1.474	2	.737	1.820	.167
	Within Groups	40.506	100	.405		
	Total	41.981	102			
B_3_ImproveQua#	Between Groups	1.799	2	.899	2.080	.130
	Within Groups	43.250	100	.432		
	Total	45.049	102			
B_4_ImprovePerformance	Between Groups	.581	2	.291	.470	.626
	Within Groups	61.807	100	.618		
	Total	62.388	102			
B_5_NeedModify	Between Groups	.046	2	.023	.018	.982
	Within Groups	123.333	100	1.233		
	Total	123.379	102			
B_6_Supervisory	Between Groups	2.445	2	1.222	1.404	.250
	Within Groups	87.070	100	.871		
	Total	89.515	102			
B_7_UniformAvoid	Between Groups	.258	2	.129	.328	.721
	Within Groups	39.296	100	.393		
	Total	39.553	102			
B_8_Transparent	Between Groups	.241	2	.120	.409	.666
	Within Groups	29.449	100	.294		
	Total	29.689	102			
B_9_LevelDebt	Between Groups	.037	2	.019	.037	.964
	Within Groups	50.390	100	.504		
	Total	50.427	102			
B_10_UniformPro#	Between Groups	.444	2	.222	.376	.687
	Within Groups	58.974	100	.590		
	Total	59.417	102			
B_11_EnForcing	Between Groups	.339	2	.170	.305	.738
	Within Groups	55.641	100	.556		
	Total	55.981	102			
B_12_Role	Between Groups	.000	2	.000	.000	1.000
	Within Groups	37.204	100	.372		
	Total	37.204	102			
B_13_HighQuality	Between Groups	.393	2	.197	.454	.636
	Within Groups	43.335	100	.433		

	Total	43.728	102			
B_14_SufficientPro#	Between Groups	2.519	2	1.259	2.174	.119
	Within Groups	57.947	100	.579		
	Total	60.466	102			
B_15_Practices	Between Groups	.573	2	.286	.493	.612
	Within Groups	58.107	100	.581		
	Total	58.680	102			
B_16_Mandatory	Between Groups	.900	2	.450	.686	.506
	Within Groups	65.528	100	.655		
	Total	66.427	102			
B_17_Poisistve	Between Groups	.152	2	.076	.192	.826
	Within Groups	39.576	100	.396		
	Total	39.728	102			
B_18_Noncompliance	Between Groups	.160	2	.080	.147	.863
	Within Groups	54.267	100	.543		
	Total	54.427	102			
B_19_Best	Between Groups	.287	2	.143	.198	.821
	Within Groups	72.548	100	.725		
	Total	72.835	102			
B_20_Safeguard	Between Groups	.087	2	.043	.123	.884
	Within Groups	35.253	100	.353		
	Total	35.340	102			
B_21_Growth	Between Groups	.801	2	.400	.746	.477
	Within Groups	53.627	100	.536		
	Total	54.427	102			
B_22_Easy	Between Groups	.125	2	.063	.117	.890
	Within Groups	53.331	100	.533		
	Total	53.456	102			

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
B_1_levelGood	Between Groups	.790	2	.395	.691	.504
	Within Groups	57.191	100	.572		
	Total	57.981	102			
B_2_adoptIFRS	Between Groups	1.602	2	.801	1.983	.143
	Within Groups	40.379	100	.404		
	Total	41.981	102			
B_3_ImproveQua#	Between Groups	1.014	2	.507	1.152	.320
	Within Groups	44.034	100	.440		
	Total	45.049	102			
B_4_ImprovePerformance	Between Groups	.417	2	.209	.337	.715
	Within Groups	61.971	100	.620		
	Total	62.388	102			
B_5_NeedModify	Between Groups	3.781	2	1.891	1.581	.211
	Within Groups	119.598	100	1.196		
	Total	123.379	102			
B_6_Supervisory	Between Groups	2.247	2	1.124	1.288	.280
	Within Groups	87.267	100	.873		
	Total	89.515	102			
B_7_UniformAvoid	Between Groups	1.076	2	.538	1.399	.252
	Within Groups	38.477	100	.385		
	Total	39.553	102			
B_8_Transparent	Between Groups	.083	2	.042	.141	.869
	Within Groups	29.606	100	.296		
	Total	29.689	102			
B_9_LevelDebt	Between Groups	1.972	2	.986	2.034	.136
	Within Groups	48.456	100	.485		
	Total	50.427	102			
B_10_UniformPro#	Between Groups	1.933	2	.966	1.681	.191
	Within Groups	57.485	100	.575		
	Total	59.417	102			
B_11_EnForcing	Between Groups	.164	2	.082	.147	.863
	Within Groups	55.816	100	.558		
	Total	55.981	102			
B_12_Role	Between Groups	.612	2	.306	.836	.436
	Within Groups	36.592	100	.366		
	Total	37.204	102			
B_13_HighQuality	Between Groups	.216	2	.108	.248	.781
	Within Groups	43.512	100	.435		

	Total	43.728	102			
B_14_SufficientPro#	Between Groups	.143	2	.071	.118	.888
	Within Groups	60.323	100	.603		
	Total	60.466	102			
B_15_Practices	Between Groups	.151	2	.075	.129	.879
	Within Groups	58.529	100	.585		
	Total	58.680	102			
B_16_Mandatory	Between Groups	3.241	2	1.620	2.564	.082
	Within Groups	63.187	100	.632		
	Total	66.427	102			
B_17_Poisistve	Between Groups	1.335	2	.667	1.738	.181
	Within Groups	38.393	100	.384		
	Total	39.728	102			
B_18_Noncompliance	Between Groups	1.787	2	.894	1.698	.188
	Within Groups	52.640	100	.526		
	Total	54.427	102			
B_19_Best	Between Groups	3.219	2	1.610	2.312	.104
	Within Groups	69.616	100	.696		
	Total	72.835	102			
B_20_Safeguard	Between Groups	.467	2	.234	.670	.514
	Within Groups	34.873	100	.349		
	Total	35.340	102			
B_21_Growth	Between Groups	.263	2	.131	.243	.785
	Within Groups	54.164	100	.542		
	Total	54.427	102			
B_22_Easy	Between Groups	.898	2	.449	.854	.429
	Within Groups	52.558	100	.526		
	Total	53.456	102			