



A Study of International Accounting Standard and Indian Accounting Standard

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Abstract: *The boundless acknowledgment of International Accounting Standards (IAS) International Financial Reporting Standards (IFRS) makes it opportune to inspect their specialized determinants and also their suggestions for the bookkeeping calling and the way toward bookkeeping harmonization. In this admiration, we recommend that the standards based way to deal with the principles and its inward adaptability empowers the utilization of IAS/IFRS to nations with differing bookkeeping conventions and fluctuating institutional conditions. Besides, the standards based methodology includes real changes in the skill held by bookkeepers and, henceforth, in their instructive foundation, preparing programs, and in the hierarchical and plans of action of bookkeeping firms. At last, we present that the norms set by the IAS/IFRS constitute a stage forward during the time spent bookkeeping harmonization, despite the fact that there is still far to go in the likeness of bookkeeping measures crosswise over nations and locales. In the paper we talk to investigation of International Financial Reporting Standard and Indian Accounting Standard and comprehend the methodology for issue of International Financial Reporting Standard and Indian Accounting Standard.*

Keywords: *International Accounting Standard & Indian Accounting Standard*

I. INTRODUCTION

Bookkeeping Standards are utilized as administrative components for arrangement of money related reports in every one of the nations of the world. Bookkeeping Standard are composed approach reports issued by master bookkeeping body or government or other administrative body covering the parts of acknowledgment, estimation, treatment, presentation and exposure of bookkeeping exchange in the money related articulation. Goal of bookkeeping standard is to institutionalize the different bookkeeping approaches and rehearses with a perspective to kill to the degree the non-equivalence of budgetary articulations and add the dependability to the money related explanations. The fast development of universal exchange and Internationalization of firms make need of worldwide harmonization of bookkeeping gauges as an organization having nearness in various nations needs to plan budgetary reports according to GAAP of the nation where it works. Under this worldwide business environment, organizations need normal bookkeeping dialect as fit bookkeeping standard over the world. From 1973 to 2000 International Accounting Standard Committee (IASC) was the body whereupon the obligation was set to issue International Accounting Standards. In 2001 IASC was supplanted by International Accounting Standards Board (IASB). From that point forward International Accounting Standards Board (IASB), based at London - UK is currently capable to issue International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). IASB is autonomous body and comprises of individuals from nine unique nations around the world having assortment of utilitarian foundations. In India the Institute of Chartered Accountants of India (ICAI) has shaped Accounting Standards Board (ASB) in 1977, whereupon the obligation was set to create bookkeeping models to be issued and changed in the nation every now and then. In spite of the fact that ASB is molded by ICAI, it is autonomous in the plan of bookkeeping norms. ASB contains individuals from different fields and association and it additionally takes into thought traditions, uses and business environment winning in the nation while detailing the models.

II. OBJECTIVES OF THE STUDY

- a) To investigation of International Financial Reporting Standard and Indian Accounting Standard.
- b) To comprehend the system for issue of International Financial Reporting Standard and Indian Bookkeeping Standard

III. RESEARCH METHODOLOGY

In the present study, distinct examination outline was utilized. Information has been gathered from secondary sources.

IV. PROCEDURES AFTER AN IFRS IS ISSUED

Setting the motivation: The IASB, by growing top notch money related reporting norms, tries to address an interest for better quality data that is of worth to those clients of budgetary reports. At the point when choosing whether a proposed plan thing will address clients needs the IASB considers:



- a) The pertinence to clients of the data and the dependability of data that could be given,
- b) Existing direction accessible,
- c) The likelihood of expanding merging,
- d) The nature of the IFRS to be produced,
- e) Resource limitations

To help the IASB in considering its future motivation, its staff is requested that recognize, audit and raise issues that may warrant the IASB's consideration. New issues may likewise emerge from an adjustment in the IASB's Conceptual Framework for Financial Reporting. Furthermore, the IASB raises and examines potential motivation things in the light of remarks from other standard-setters and other invested individuals, the IFRS Advisory Council and the IFRS Interpretations Committee, and staff research and different suggestions. In settling on choices in regards to its motivation needs, the IASB additionally considers components identified with its joining activities with bookkeeping standard-setters. The IASB's endorsement to include motivation things, and in addition its choices on their need, is by a basic greater part vote at an IASB meeting.

Planning the project: When adding a thing to its dynamic motivation, the IASB chooses whether to direct the venture alone or together with another standard-setter. Comparable due procedure is taken after under both methodologies. While considering whether to add a thing to its dynamic plan, the IASB may confirm that it meets the criteria to be incorporated into the yearly changes process. The IASB evaluates the issue against criteria, for example,

- a) Clarifying.
- b) Correcting.
- c) Well characterized and adequately limit in extension that the results of the proposed change have been considered.
- d) Completed on an opportune premise, all criteria must be met to fit the bill for consideration in yearly upgrades.

When this appraisal is made, the alterations incorporated into the yearly changes procedure will take after the same due procedure as other IASB ventures. The essential target of the yearly changes procedure is to improve the nature of IFRSs by altering existing IFRSs to elucidate direction and wording, or redressing for generally minor unintended outcomes, clashes or oversights. In the wake of considering the way of the issues and the level of enthusiasm among constituents, the IASB may set up a working gathering at this stage and a venture group for the task will be chosen. The venture supervisor draws up a task arrangement under the supervision of the executives of the specialized staff and the undertaking group may likewise incorporate individuals from staff from other bookkeeping standard-setters, as regarded fitting by the IASB.

Creating and distributed: the examination paper a discourse paper is not an obligatory stride in the IASB's expected procedure. Typically the IASB distributes an examination paper as its first production on any major new point as a vehicle to clarify the issue and request early remark from constituents. On the off chance that the IASB chooses to overlook this progression, it will express its reasons. Regularly, a discourse paper incorporates an extensive outline of the issue, conceivable methodologies in tending to the issue, the preparatory perspectives of its creators or the IASB, and a welcome to remark. This methodology may contrast if another bookkeeping standard-setter builds up the examination paper. Talk papers may come about either from an exploration undertaking being led by another bookkeeping standard setter or as the principal phase of a dynamic plan venture did by the IASB. In the event that examination has been performed by another bookkeeping standard-setter, issues identified with the exchange paper are talked about in IASB gatherings, and production of such a paper requires a straightforward lion's share vote by the IASB. In the event that the talk paper incorporates the preparatory perspectives of different creators, the IASB audits the draft examination paper to guarantee that its investigation is a fitting premise on which to welcome open remarks. For talk papers on motivation things that are under the IASB's course, or incorporate the IASB's preparatory perspectives, the IASB builds up the paper or its perspectives on the premise of Analysis drawn from staff examination and proposals, and in addition recommendations made by the IFRS Advisory Council, working gatherings and bookkeeping standard setters and presentations from welcomed parties. All talks of specialized issues identified with the draft paper occur in broad daylight sessions. At the point when the draft is finished and the IASB has endorsed it for production the talk paper is distributed to welcome open remark. The IASB ordinarily permits a time of 120 days for input on a talk paper, yet may permit a more drawn out period on real tasks (which are those undertakings including pervasive or troublesome theoretical or commonsense issues). After the remark time frame has finished the task group investigations and synopses the remark letters for the IASB's thought. Remark letters are posted on the IASB's site. What's more, a synopsis of the remarks is posted on their site as a piece of IASB meeting onlooker notes. On the off chance that the IASB chooses to investigate the issues further, it might look for extra remark and recommendations by leading field visits, or by orchestrating open hearings and round-table gatherings.

Draft the IFRS: Publication of an introduction draft is a compulsory stride in due procedure. A presentation draft is the IASB's principle vehicle for counseling general society. Dissimilar to a dialog paper, an introduction draft sets out a particular proposition as a proposed IFRS (or alteration to an IFRS). The advancement of an introduction draft starts with the IASB considering issues on the premise of staff examination and proposals, and in addition remarks got on any discourse paper, and recommendations made by the IFRS Advisory Council, working gatherings and bookkeeping standard-setters and emerging from government funded instruction sessions. In the wake of determining issues at its gatherings, the IASB trains the staff to draft the presentation draft. At the point when the draft has been finished, and the IASB has balloted on it, with at least nine votes important to distribute an introduction draft, the IASB distributes it for open remark. A presentation draft contains a welcome to remark on a draft IFRS, or draft revision to an IFRS, that proposes prerequisites on acknowledgment, estimation and divulgences. The draft may likewise incorporate compulsory application direction and usage direction, and will be joined by a premise for conclusions on the proposition and the option perspectives of contradicting IASB individuals (assuming any). The IASB ordinarily permits a time of



120 days for input on an introduction draft. In the event that the matter is outstandingly pressing, the record is short, and the IASB trusts that there is liable to be a wide agreement on the subject, the IASB may consider a remark time of no under 30 days, yet it will set such a brief period simply after formally asking for and acquiring earlier endorsement from 75 percent of the Trustees. The venture group gathers outlines and examinations the remarks got for the IASB s thought. After the remark time frame closes, the IASB surveys the remark letters got and the consequences of different meetings. As a method for investigating the issues assist, and requesting further remarks and recommendations, the IASB may direct handle visits, or mastermind open hearings and round-table gatherings. The IASB is required to counsel the IFRS Advisory Council and keeps up contact with different gatherings of constituents.

V. DEVELOPING AND PUBLISHING THE STANDARD

The advancement of an IFRS is done amid IASB gatherings, when the IASB considers the remarks got on the presentation draft. Changes from the presentation draft are posted on the site. In the wake of determining issues emerging from the presentation draft, the IASB considers whether it ought to uncover its changed proposition for open remark, for instance by distributed a second introduction draft. In the event that the IASB chooses that re-introduction is essential, the due procedure to be taken after is the same concerning the primary presentation draft As it moves towards finishing another IFRS or significant correction to an IFRS, the IASB readies a venture outline and input proclamation. These give direct input to the individuals who submitted remarks on the introduction draft distinguish the most critical matters brought up in the remark procedure and clarify how the IASB reacted to those matters. In the meantime, the IASB readies an investigation of the possible impacts of the inevitable IFRS or real correction. The examination will in this way endeavor to survey the feasible impacts of the new IFRS on:

- a) The money related explanations of those applying IFRSs.
- b) The conceivable consistence costs for preparers.
- c) The expenses of investigation for clients (counting the expenses of separating information).
- d) Identifying how the information have been measured and conforming information for the reasons for incorporating them in, for instance, a valuation model.
- e) The similarity of monetary data between reporting periods for an individual element and between various elements in a specific reporting period, and
- f) The nature of the monetary data and its convenience in evaluating the future money streams of an element.

After the standard is issued: After an IFRS is issued, IASB individuals and staff hold consistent gatherings with invested individuals, including other standard-setting bodies, to comprehend unexpected issues identified with the down to earth execution and potential effect of its procurements. The IFRS Foundation additionally encourages instructive exercises to guarantee consistency in the use of IFRSs. The IASB completes a post-usage survey of each new IFRS or significant change. This is typically done two years after the new necessities have gotten to be obligatory and been actualized. Such audits are regularly constrained to vital issues distinguished as antagonistic amid the advancement of the affirmation and thought of any unforeseen expenses or execution issues experienced. An audit may likewise be incited by: Changes in the monetary reporting environment and administrative necessities, Comments made by the IFRS Advisory Council, the IFRS Interpretations Committee, standard-setters and constituents about the nature of the IFRS.

VI. PRESENTATION OF FINANCIAL STATEMENT

Organizations Act requires readiness of

- a) Balance Sheet.
- b) Profit and Loss Account.
- c) Notes to Accounts
- d) Statement of Financial Position (Balance Sheet)
- e) Income Statement (Profit and Loss Account)
- f) Statement of Changes in Equity (SOCIE)
- g) Statement of Cash streams.
- h) Notes involving an outline of critical bookkeeping arrangements and other illustrative data.
- i) Statement of money related position as toward the start of the most punctual near period when a substance applies a bookkeeping strategy reflectively or makes a review restatement of things in its budgetary explanations, or when it renames things in its monetary articulation.

Asset report: IFRS does not endorse a specific organization of Balance Sheet. A current/non-current presentation of benefits and liabilities is utilized, unless a liquidity presentation gives more significant and solid data. Certain base things are displayed on the substance of the asset report. Indian GAAP additionally does not endorse a specific configuration; certain things must be introduced on the substance of the accounting report. While Formats endorsed by the Companies Act, 1956 and other Industry directions like saving money, protection and so forth is relevant for Indian organizations for presentation of budgetary explanation.

Wage explanation: IFRS does not recommend position for the pay articulation. The element ought to choose a strategy for exhibiting its costs by either capacity or nature; this can either be, on the substance of the wage proclamation, as is energized, or in



the notes. Extra divulgence of costs by nature is required if utilitarian presentation is utilized. IFRS requires, as a base presentation of the accompanying things on the substance of the salary proclamation:

- a) Revenue.
- b) Finance costs
- c) Share of post-assessment aftereffect of partners and Joint endeavors represented utilizing the value technique charge cost
- d) Profit or misfortune for the period

VII. STATEMENT OF CHANGES IN EQUITY (SOCIE)

Under IFRS Statement of Changes in Equity (SOCIE) is exhibited as an essential articulation. Notwithstanding the things required to be in SOCIE, it ought to show capital exchanges with proprietors, the development in gathered benefit and a compromise of every single other segment of value. Though under Indian GAAP no different explanation is required. Changes in shareholders value are unveiled in isolated calendars of Share Capital and Reserves and Surplus.

Articulation of Cash streams: IFRS requires planning of income explanation no exclusions for readiness of the same. FRS allows the readiness of income explanation utilizing either immediate or roundabout strategy the In India according to AS-3 income articulation is compulsory for recorded companies & it ought to be set up by utilizing backhanded technique and direct strategy is endorsed for insurance agencies.

Changes in bookkeeping arrangement: IFRS endorses if there is changes in bookkeeping strategy then Comparative year s data is restated and the measure of the conformity identifying with earlier period is balanced against opening equalizations of held income of the most punctual earlier period exhibited, unless particularly exempted. Under Indian GAAP restatement is not required. The impact of changes is incorporated into current year salary articulation. The effect of progress is unveiled.

Redress of mistakes: IFRS recommends if blunder happened before the soonest earlier period exhibited, the opening equalizations of benefits, liabilities and value for the most punctual earlier period displayed are restated. While, Indian GAAP recommends if mistakes happened then restatement is not required. The impact of revision is incorporated into current year wage explanation with isolated divulgence.

VIII. IN A BIRDS EYE VIEW

Worldwide monetary Reporting Standard spotlights on quality, dependability and significance parts of the data to every one of its clients everywhere throughout the globe while setting another standard. Harmonization of Accounting Standard is a need to make and create worldwide economy. Harmonization will result into genuine and reasonable presentation of money related explanation that can be effectively open to all the potential clients including potential financial specialists. IFRS gave itemized rule to presentation of money related explanation and it gives more experiences about the budgetary data of the substance so financial specialist can contrast it with other element with discover best speculation choice. For MNC's selection of IFRS will come about into lessening in the expense of planning of money related proclamation and likewise beat the trouble of combination of budgetary explanations working in various nations.

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