

## A Study on IFRS Prospects in Indian Scenario

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### Abstract:

*Over a period of time need arises to develop International Accounting Standards as accounting standards vary from country to country. As a result of this International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) are developed which can be accepted by more than single country. This paper focuses on procedure of issuance of International & Indian Accounting Standard, need of harmonization of global accounting standard & key difference in presentation of financial statement under International & Indian Accounting Standard. Key benefit in harmonizing accounting standard is common accounting system that is perceived as stable, transparent & fair to investors across the world. Cross-border merger & acquisitions will get a boost by making it easier for the parties involved in as per as redrawing the financial statements is concern.*

**Key words:** International Accounting Standards, International Financial Reporting Standards (IFRS), Accounting Standards

### Introduction:

Accounting Standards are used as one of the main compulsory regulatory mechanisms for preparation of general-purpose financial reports and subsequent audit of the same, in almost all countries of the world. Accounting standards are concerned with the system of measurement and disclosure rules for preparation and presentation of financial statements. They appear with a set of authoritative statements of how particular types of transactions, events and other costs should be recognized and reported in the financial statements. Accounting standards are devised to furnish useful information to different users of the financial statements, to such as shareholders, creditors, lenders, management, investors, suppliers, competitors, researchers, regulatory bodies and society at large and so on. In fact, such statements are designed and prescribed so as to improve & benchmark the quality of financial reporting.

The rapid growth of international trade and internationalization of firms, the developments of new communication technologies, and the emergence of international competitive forces is perturbing the financial environment to a great extent. Under this global business scenario, the residents of the business community are in badly need of a common accounting language that should be spoken by all of them across the globe. A financial reporting system of global standard is a pre-requisite for attracting foreign as well as present and prospective investors at home alike that should be achieved through harmonization of accounting standards.

Accounting Standards are the policy documents (authoritative statements of best accounting practice) issued by recognized expert accountancy bodies relating to various aspects of measurement, treatment and disclosure of accounting transactions and events as relate to the codification of Generally Accepted Accounting Principles (GAAP). These are stated to be norms of accounting policies and practices by way of codes or guidelines to direct as to how the items, which go to make up the financial statements should be dealt with in accounts and presented in the annual accounts. The aim of setting standards is to bring about uniformity in