

MANDATORY APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS: INFLUENCE PROCESS AIMED AT MEMBERS OF THE ACCOUNTING PROFESSION

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ABSTRACT

Globalization of financial markets has revealed the need for comparability and transparency of company financial statements. Therefore, a new international vision has been introduced to legal institutions, companies, investors, credit companies, auditors and members of the accounting profession regarding financial information that should be opened to public scrutiny.

As a result of the mandatory implementation of International Financial Reporting Standards (IFRS), there is a need for qualified accountants who have the necessary vision to keep up with the transformation within the accounting profession, and who are fully conversant with international financial reporting standards. Within this context, members of the accounting profession will realize vocational developments in this international arena by closely following developments in the IFRS and the various needs of taxpayers. This study examines the Influence Process aimed at members of the accounting profession within the framework of the mandatory application of IFRS in Turkey.

Keywords: *International Financial Reporting Standards, Member of the Accounting Profession, Turkish Financial Reporting Standards.*

Jel Classification: *M40, M41, M49.*

Uluslararası Finansal Raporlama Standartlarının Zorunlu Uygulanması: Muhasebe Meslek Mensuplarına Yönelik Etkilenme Süreci

ÖZET

Finansal piyasaların küreselleşmesi, işletmenin finansal tablolarının karşılaştırılabilirliğine ve şeffaflığına yönelik ihtiyaçların önemini gündeme taşımıştır. Böylece, işletmelerce kamuya açıklanması gereken finansal bilgiler hakkında yasal kuruluşlar, işletmeler, yatırımcılar, kredi kuruluşları ile denetçiler ve muhasebe meslek mensuplarında uluslararası anlamda yeni bir vizyonun oluşmasını sağlamıştır.

Uluslararası Finansal Raporlama Standartlarının (IFRS) zorunlu uygulaması sonucunda, muhasebe mesleğinde yaşanan dönüşüme ayak uydurabilecek vizyon sahibi ve gelişime açık uluslararası finansal raporlama standartlarını tam anlamıyla bilen kaliteli muhasebecilere olan ihtiyacı artırmaktadır. Bu bağlamda, muhasebe meslek mensupları IFRS ile yaşanan gelişmeleri ve mükelleflerin çeşitlenen ihtiyaçlarını yakından takip edip, uluslararası arenadaki mesleki gelişmelerini sağlamaları zorunludur. Çalışmada, Türkiye’de IFRS’nin Zorunlu Uygulanmasının Muhasebe Meslek Mensuplarına Yönelik Etkilenme Süreci ele alınmıştır.

Anahtar Kelimeler: *Uluslararası Finansal Raporlama Standartları, Muhasebe Meslek Mensubu, Türkiye Finansal Raporlama Standartları.*

Jel Sınıflandırması: *M40, M41, M49.*

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1. INTRODUCTION

The adoption within the Turkish Commercial Code (TCC), of regulations specific to independent auditing firms introduced a new era in the accountancy auditing profession. When the regulations on financial reporting and auditing processes within the Code are evaluated, it can be seen that all commercial operations are grounded on Turkish Accounting Standards (TAS) prepared within the scope of IFRS, shall attach importance to the principle of disclosure and promote transparency of, especially with regard to institutional information.

The globalization process, requires accounting professionals to increase their education at an international level in order to improve the quality of the information to users of financial information. The effective use of information and education is a necessity for individuals requiring accounting information in the planning of future strategies and the presentation of accurate knowledge to financial users is mandatory for the individuals having the opportunity to present them. Within this context, the present study discusses the influence of the mandatory application of international financial reporting standards in Turkey on members of the accounting profession and examines the factors necessitating the mandate of IFRS, and the benefits and disadvantages of mandatory application of IFRS. In addition, the study examined the influence of the mandatory application of IFRS on the continuance of professional accountancy activities.

2.MANDATORY APPLICATION OF IFRS IN TURKEY

2.1.The Factors Necessitating Mandatory IFRS

National accounting standards hinder the globalization of capital markets and, at the same time, limit the transparency of financial statements of investors and regulators and the analysis of financial statements (Nolke, 2005: 5). In a globalizing world, the necessity for common financial reporting increased the interest in universal accounting standards and, more importantly, led to the solving of difficulties regarding differences in cross-border accounting (Ankarath et al. 2010: 1). Therefore, commercial organizations communicate with each other using a common language and realize their need to understand financial reports. In addition, online reporting of financial information contributes to easier access and better understanding for seeking to invest in global markets.

As part of the globalization process, the use of international accounting standards has contributed to the spread of international accounting companies and increased the activities of multinational companies and regulatory systems of developed countries (Irvine and Lucas, 2006: 5). Therefore, the increase of international relations among companies necessitates the use of a single accounting standard set (Melville, 2008: 5). The use of these standards across the whole world enables the continuity of financial reporting.

International differences in accounting systems are explained by the inclination of the domestic financial environment to capital markets. Global changes in accounting system

increase the quality of financial reporting (Lantto and Sahlström, 2009: 341–342). The main factors revealing the importance of international financial reporting include: the globalization of accounting rules and standards, foreign investments and important increase in international trade, the emergence of global financial markets, the increase of share ownership covering the effect of privatization, and changes in the international monetary system (Nobes and Parker, 2006: 5–6). In addition, the globalization of capital markets has led to a need for new information for creditors, auditors and companies; and improved the comparability and easy understanding of financial reporting (Uddin, 2005: 17).

The main factors affecting both national and international accounting systems include: the need to compare regional issues and financial information; the necessity to compare information in the evaluation of different investment opportunities; the determination of the place of accounting within the business field and business language; and the necessity of accounting practice (Mustata, Matis and Bodea, 2007: 7). Some authors define the harmonization of accounting standards as being a process against difference and diversity, and therefore against high comparability of financial reporting by defining the decrease in different rules.

Chand and White defined as showing the difference between adoption and convergence, ensuring adoption in IFRS and enabling the adoption against standard (Tudor and Dragu, 2010: 192). The adoption of accounting standards requires highly quality, conveyable and comparable information, which are welcomed by investors, creditors, financial analysts and other users of financial information (Ankarath, Mehta, Ghosh and Alkafoji, 2010: 1). Within this context, comparison of financial information is difficult without the adoption of common financial reporting standards and a common accounting set. The use of high-quality accounting standards facilitates reductions in capital costs, the increase of market capacity and international investment and economic decisions.

The main factor necessitating the international adoption of accounting standards is international differences. The difference in accounting systems prevents uniform comparison of financial information of companies that use differing accounting standards. Company activity across different countries and the increasing distribution of capital between different international markets necessitate the adoption of common accounting standards (Alexander, Britton and Jorissen, 2007: 23). This necessity reveals itself in the evaluation of financial statements, which may have different meanings for operations registered in international capital markets.

The international adoption of common accounting standards covers the control of stocks of multinational companies and the foundation of international accounting standards by state or professional organizations (Schweikart, Gray and Roberts, 1995: 14). The adoption of international accounting standards varies according to economic, regional and political groups in the world.

There are some benefits of the mandatory application of IFRS, one of which is that due to a similar accounting standard in all countries, companies will not have to bear the cost of preparing financial statements according to accounting standards of each country. The use of similar accounting standards will permit comparison of financial performance of companies in different countries. Another advantage of the adoption of IFRS is that the economic values of real-estate is shown more accurately in financial statements, which will enable the users of financial statements to make better informed decisions (Wilde, 2010: 162–164). In addition, IFRS is to help investors acquire high quality and transparent accounting data, predict the future financial performances of operations and shape financial decisions (Iatridis, 2010: 165). Therefore, since financial statements prepared according to IFRS are presented more accurately, fewer errors in financial statements will reduce the complexity of accounting.

With international accounting, in the analysis of financial statements and in the evaluation of stocks of companies registered to securities exchanges in the world, the analysis of these companies at international level are made differently from region-wide accepted accounting standards by using the financial reporting standards developed by International Accounting Standards Boards (IASB) (Doupmik & Perera, 2007: 1–10). The adoption of common accounting standards facilitates the understanding of financial statements, and reduces difficulties in the reporting and evaluation of investment opportunities of operations.

Financial reports are the main means of conveying the financial results and financial state of operations to external parties. Through financial reports, investors analyze financial information. If these financial statements are prepared and organized according to only national accounting standards, the use of alternative investment opportunities and understanding financial statements may be difficult for investors (Kothari and Borone, 2006: 22–23). Therefore, financial statements prepared according to national accounting standards are seen as a factor affecting capital investments by entrepreneurs. However, this difficulty may be eliminated by providing financial reporting information in the form of a single accounting set prepared according to international accounting standards.

2.2. Benefits and Disadvantages of Mandatory Application of IFRS

IFRS facilitates consolidation of financial statements and portfolio investments in different countries, which will become more significant, and will enable more accurate comparison. In addition, necessary reporting in international securities exchanges will be facilitated and, through common accounting applications, will incentive trade (Ehijeagbon, 2010: 149). Therefore, increased adoption of IFRS will increase the use of realistic value. However, as one of the costs of global accounting standards auditing costs may increase as a result of the adoption of IFRS (Diehl, 2010: 96). In conclusion, the benefits of the adoption of IFRS include the increase of increased international investment, reduced operation costs and easier comparison of financial statements.

IFRS requires the accurate definition of economic reality, the reduction of administration manipulation, and the consistency of all economic values. IFRS aims to reflect economic rather than legal fundamentals and effective use of balance sheets. In addition, IFRS reduces competition between systems (Ball, 2006: 9--25). Despite many advantages of IFRS, there are some disadvantages. Since accountants consider their own interests in many situations, it is possible for them to exercise discretionary power in considering certain operations. The effect of such changes in accounting rules is open to discussion on this point (Wilde, 2010: 165).

2.3.The Research on the Influence Process of IFRS Mandatory Application on Members of Accounting Profession

Globalization of national economies and integration of financial markets are strong arguments for the implementation of IFRS. When both investors and financial analysts wish to purchase shares in overseas companies, they need to an accurate understanding of that company's financial statements (Stoian, Morariu, Mitea and Crcana, 2009: 345). The information approved by financial auditors facilitates the comparison of financial statements of foreign companies by investors and financial analysts and also facilitates the understanding of information covering financial statements.

Adoption of IFRS contributes to increasing the quality of accounting information, reducing information difference between shareholders and administrators, reducing capital costs and the emergence of high prediction capacity about the future acquisitions of the company by investors (Bhattacharjee and Hossain, 2010: 13--14). In addition, it leads to the recovery of the quality of financial information for shareholders, and an increase in the comparability and transparency of financial information.

The quality and the need of financial reporting based on IFRS enable the reduction of operation costs and help the investors in terms of financial information. Since the enforcement of mechanisms protecting the investor decreases in reported accounting items, it decreases the cost of IFRS. On the contrary, the weakness of mechanisms to protect investors in country decreases the quality of financial reporting and increases the costs of the adopting IFRS (Iatridis, 2010: 166).

Developments within the framework of accounting information following the innovation associated with the adoption of IFRS depend on at least two factors. The first factor is that since development based on the innovation of IFRS increases the quality of financial reporting, it leads to changes in widely-accepted accounting principles. The second factor is that the accounting system is a complementary element of the institutional system of countries and, at the same time, financial reporting is determined by the aims of operations (Bhattacharjee and Hossain, 2010: 10).

One of the benefits of the mandatory application of IFRS in Turkey is reduced complexity associated with measurement of different financial position and performance

between countries and increased investment potential by presenting financial decisions to financial information users (Tendeloo and Vanstraelen, 2005: 157). The second benefit is to reduce operating costs associated with multiple reporting. The third is to encourage global international investments.

There are differences between countries within the frameworks of financial reporting, such as administration, legal regulation, auditing and security exchange regulations between countries, and therefore it cannot be expected that the adoption of financial reporting is similar to the elements of financial reporting consistent with global principles. In addition, companies using IFRS may have an investment advantage. This change leads to changes in accountancy training rather than training based on principles in the evaluation and analysis of competitive approaches (Jamal et al., 2008: 247). Therefore, if this long-term change in accounting education constitutes a competitive system of financial reporting standards, there occurs a need for an accounting education system covering the general principles of accounting.

Therefore, members of the accounting profession should prepare the necessary procedures within the adoption of IFRS regarding the effects of taking strategic decisions about operations based on financial statements and should have information about this issue (James, 2009: 32). In addition, the adoption of IFRS has led to changes in information technology, accounting information system and all systems of operations. Together with the change in financial reporting come changes in financial management. As a result of the new format of financial statements, financial managers are able to make more accurate predictions and planning (Katheřina, 2010: 78–81). Financial managers will take into consideration the changes appropriate for accounting when making decisions, leasing or purchasing of assets.

2.3.1. Literature Review

The economic climate changes due to globalization and the requirement of IFRS as per Trade Code have some significant effects on the accounting profession. As defined in Law 3568, the accounting profession in Turkey is gathered under three categories; Public Practice Accounting; Independent Accountant and Financial Advisor; and Certified Public Accountant. However, public practice accounting was excluded from these categories by Law 5786 (Regulation regarding Public Practice Accounting, Independent Accountant and Financial Advisor and Certified Public Accountant Law published in Official Journal dated 26.07.2008) and number 26948.

The national and international literature includes many empirical studies of IFRS. The present study will review relevant studies concerning members of the accountancy profession.

Lin and Chan (2000) stated that, with the implementation of IFRS, there has been an increase in quality and standards of public accountants in China due to the adoption of a certificate on national standards (Lin and Chan, 2000: 559–570). This introduces new

standards according to international norms, under which accountants are highly qualified and have significant duties due to differences in certain auditing processes, ethical standards and the independency of auditors.

McGee, Preobragenskaya and Tyler (2004) examined the presence of Certified Public Accountants and Certified International Public Accountants as members of the accounting profession in Russia. They found that accountancy qualifications involve vocational skill tests rather than IFRS. The spread of these tests in Russia resulted in the emergence of accountancy courses in universities by lecturers of auditing, administrative accounting, financial management and tax law. In addition, it was mentioned that teaching IFRS and International Auditing Standards in universities will increase the international acceptance of financial reporting standards (McGee, Preobragenskaya and Tyler, 2004: 59–72).

Ganzalo and Garvey (2005) stated that accounting scandals had slight effects in Spain, on the other hand, in this process, more careful application of ethical regulations in the accounting education processes of academic accounting professions would help to attain more reliable results in financial reporting (Ganzalo and Garvey, 2005: 429–437). Within this framework, the skills of accountants should be increased in order to develop standards for accountancy training and financial reporting and to more effectively help the public.

Winney, Marshall, Bender and Swiger (2010) stressed the necessity for IFRS education in among accountancy professionals, commercial organizations and educational establishments due to questions within the Uniform Certificated Public Accountants examinations about new accounting standards compatible with IFRS. Accountancy training is based on widely-accepted accounting principles. Therefore, accountancy students as candidate members of the accountancy profession, should be introduced to IFRS education as an advanced accounting procedure following the course titled *The Principles of Accounting* (Winney, Marshall, Bender and Swiger, 2010: 175). Due to the lack of IFRS education, the mandatory adoption of business owners and managers to IFRS should be administered by accountancy professionals and the lack of IFRS education should be compensated with joint studies between universities and members of the accountancy profession.

In their study titled “A Research about the Awareness of Students Having Accounting Education about TAS/TFRS (Turkish Accounting Standards/Turkish Financial Reporting Standards)”, Dalğar, Çelik and Mortaş (2011) stressed that, in order to effectively implement TFRS compatible with IFRS, the awareness and quality of members of the accounting profession and potential profession candidates should be increased. The results of the study indicated that the awareness of among students with a high level of interest in accounting and who considered becoming accountants after graduation is higher than others (Dalğar, Çelik and Mortaş, 2011: 217).

2.3.2. The Aim and Method of the Research

This study examines the views of accountancy professionals regarding the potential effect of the mandatory implementation of TAS (from 2013) among Turkish businesses according to TTC published in Official Journal dated February 14th, 2011 and number 27846.

The National and international literature includes many empirical studies about IFRS and the people actively working in the profession. However, no previous study examining has examined the influence of mandatory application of IFRS in Turkey on the vocational activities of the members of the accounting profession. This study used a survey method, which was announced to members via the websites of the Chamber of Certified Public Accountants of Ankara (ASMMMO), Chamber of Sworn-in Certified Public Accountants of Ankara (AYMMO), Chamber of Certified Public Accountants of Aksaray and Chamber of Certified Public Accountants of Nevşehir. Table 1 shows the statistical information of the members of the mentioned Chambers. The survey included 981 respondents.

Table 1: Statistical Information About Survey Participants (September, 2011)

	Chamber of Certified Public Accountants of Ankara	Chamber of Sworn-in Certified Public Accountants of Ankara	Chamber of Certified Public Accountants of Aksaray	Chamber of Certified Public Accountants of Nevşehir	Total
Members of Working	7,560	427	116	135	8,238
Members of non-working	2,888	743	42	113	3,786
Dependent Members of the Profession	3,537	-	16	3	3,556
Independent Members of the Profession	4,023	427	100	132	4,682
Public Practice Accountants	1,847	-	36	25	1,908
Certified Public Accountants	8,601	-	122	110	8,833
Sworn-in Public Accountants	-	1,270	-	-	1,270

2.3.3. Research Hypotheses

A previous study by Buchanan (2003: 69) reported that the implementation of a single accounting standard due to the mandatory adoption of IFRS caused members of the accounting profession to encounter the complexity of derivative tools, an increase in off-balance- sheet items, increases in the difficulties of work and financing, internal precautions, ethical standards, and certain changes in the amounts of administrative and vocational regulations.

TFRSs that will be mandatorily implemented with TTC will overcome the difficulties in the implementation of these standards, which will be possible only when members of the

accountancy professions receive relevant training in the mentioned fields. In addition, it is important that accountancy students and candidate accountants also receive relevant training on these issues.

The hypotheses developed for the research are as follows:

H1= *There is a difference in terms of the influence of mandatory application of IFRS on the vocational activities of SPA (Sworn-in Public Accountant) and non-SPA accountancy professionals.*

H2= *There is a difference in the influence of the mandatory application of IFRS on vocational activities of dependent and independent members of the accountancy profession.*

The Mann–Whitney U test was used to analyze the variables in the survey to examine the abovementioned hypotheses; statistical analyses were performed using SPSS (version 19). The survey used a 5-point Likert-type asscale: (1) Strongly Agree, (2) Agree, (3) Neutral, (4) Disagree, (5) Strongly Disagree. Table 2 shows the frequency distributions of survey responses.

Table 2: Frequency Distribution of Survey Responses (%)

	1	2	3	4	5	Toplam
The mandatory application of IFRS positively affects qualification levels among members of the accounting profession	21	76	1	1	1	100
The use of a common financial reporting language with IFRS will facilitate the analysis of financial statements	18	79	2	1	0	100
Mandatory application of IFRS improves the future standing of the accountancy profession	17	76	5	2	0	100
The mandatory application of IFRS will contribute to the vocational development of members of the accounting profession and increase their social status	16	76	6	2	0	100
The mandatory application of IFRS will increase the profile of members of the accounting profession as being highly-educated and qualified	17	76	6	1	0	100
The mandatory application of IFRS will increase the importance of accounting profession and the interest in it	16	75	6	2	1	100
The mandatory application of IFRS will begin the transition from traditional to modern perceptions of accounting and therefore members of accounting profession will re-structure themselves professionally	20	71	7	1	0	100
The mandatory application of IFRS will complicate the vocational activities of members of the accounting profession candidates therefore be inclined to follow other professions	4	39	11	11	35	100
The mandatory application of IFRS will increase the vocational responsibilities of members of the profession and they will use professional judicial process	15	31	6	2	46	100
The mandatory application of IFRS will significantly affect the vocational activities of members of profession and therefore they should follow a common training and qualification program formed by TURMOB, Chambers of Public Accountant and Sworn-in Public Accountants, political authorities within an academic environment	21	73	5	1	0	100

The mandatory application of IFRS will not contribute to incentivizing members of the profession to become, marketing-focused and qualified as well as furthering their knowledge and skills	5	65	8	8	14	100
The mandatory application of IFRS will be implemented by members of the profession without violating the ethical rules of vocational implementations	17	74	6	2	1	100

When response categories 1 and 2 on the Likert scale (strongly agree and agree) are assessed together, 97% of respondents felt that the mandatory application of IFRS would positively affect the qualification level of members of the of accounting profession, along with the common financial reporting language by IFRS, and would facilitate the analysis of financial operation statements. Since mandatory application of IFRS significantly contributes to vocational activities of members of the profession, the education with a common education program created by TURMOB, Chambers of Public Accountants and Sworn-in Public Accountants, Political authorities and academic environment is of secondary significance with a rate of 94%. The mandatory application of IFRS to make accounting an important future profession has a 93% positive response rate. In addition, the rate of frequency distribution of evaluations like strongly agree and agree of the survey considering the increase of the profile of profession members and of the mandatory application of IFRS corresponds to 93%.

The data showed that 43% of respondents felt that mandatory application of IFRS would complicate the vocational activities of members of accounting profession, and that candidate accountants would therefore be more inclined to follow alternative professions. Therefore, it can be concluded that the share of mandatory application of IFRS in the members of accounting profession to other new professions is important. In addition, when we evaluate disagree and strongly disagree answers of the mentioned question of the survey together, this rate rate 46% of respondents disagree or strongly disagree with the survey statement. When we examine the frequency distributions of the mentioned statement in terms of members of the profession, the inclination to the profession was found to be 30% rate foramong Sworn-in Public Accountants, it had was and to be 45% rate foramong Public Accountants and Certified Public Accountants. In conclusion, 70% of Sworn-in Public Accountants did not express an inclination to other professions due to the mandatory application of IFRS, compared with 55% among Public Accountants and Certified Public Accountants.

2.3.4. Findings and Analysis of the Research

The mandatory application of IFRS leads to an increase in the quality of accounting, and therefore an increase in the quality of financial information, as it affects the financial reporting system. This effect serves the same purposes in similar companies applying IFRS compared to those operations applying national accounting standards within the same country. Barth, Landsman and Lang (2008) found there was no difference in the quality of accounting

between pre- and post-adoption of IFRS (Barth, Landsman and Lang, 2008: 467–497). It was determined, that in general, operations applying IFRS had obtained more quality accounting data than organizations not applying IFRS.

Table 3: The Influence of Mandatory Application of IFRS on Vocational Activities of SPA and non-SPA Members of the Accountancy Profession

Variables	SPA		non-SPA		Mann-Whitney U test, p	N
	Mean	Std.Deviation	Mean	Std.Deviation		
The mandatory application of IFRS positively affects qualification levels among members of the accounting profession	1,6443	0,66854	1,8858	0,50288	0,000	981
The use of a common financial reporting language with IFRS will facilitate the analysis of financial statements	1,7181	,59367	1,8978	,49097	0,000	981
Mandatory application of IFRS improves the future standing of the accountancy profession	1,9128	,73460	1,9195	0,51873	0,354	981
The mandatory application of IFRS will contribute to the vocational development of members of the accounting profession and increase their social status	1,9262	0,65856	1,9519	,55512	0,373	981
The mandatory application of IFRS will increase the profile of members of the accounting profession as being highly-educated and qualified	1,8926	0,70845	1,9327	0,51480	0,100	981
The mandatory application of IFRS will increase the importance of accounting profession and the interest in it	1,9060	0,67125	1,9844	0,59358	0,114	981
The mandatory application of IFRS will begin the transition from traditional to modern perceptions of accounting and therefore members of accounting profession will re-structure themselves professionally	1,8121	0,76555	1,9243	0,52636	0,005	981
The mandatory application of IFRS will complicate the vocational activities of members of the accounting profession candidates therefore be inclined to follow other professions	3,4832	1,26065	3,3377	1,41850	0,301	981
The mandatory application of IFRS will increase the vocational responsibilities of members of the profession and they will use professional judicial process	2,5973	1,56792	3,4796	1,60686	0,000	981
The mandatory application of IFRS will significantly affect the vocational activities of members of profession and therefore they should follow a common training and qualification program formed by TURMOB, Chambers of Public Accountant and Sworn-in Public Accountants, political authorities within an academic environment	1,7248	0,69612	1,8870	0,50673	0,000	981
The mandatory application of IFRS will not contribute to incentivizing members of the profession to become, marketing-focused and	3,4430	1,37242	2,4459	1,04159	0,000	981

qualified as well as furthering their knowledge and skills						
The mandatory application of IFRS will be implemented by members of the profession without violating the ethical rules of vocational implementations	1,8121	0,70105	1,9687	0,57755	0,000	981

The Mann–Whitney U test was used to evaluate the influence of mandatory application of IFRS on the vocational activities of SPA and non-SPA Members members of the accountancy profession (see Table 3):

- SPA members showed significantly higher level of agreement than non-SPA members in response to the statement “mandatory application of IFRS positively affects the qualification level of members of the accounting profession” (P= 0.000). The P value of 0.000 indicates significant differences between the groups in their approaches towards the question,

- SPA members showed significantly higher level of agreement than non-SPA members in response to the statement “the use of a common financial reporting language with IFRS facilitates the analysis of financial statements” (P= 0.000). The P value of 0.000 indicates significant differences between the groups in their approaches towards the question,

- SPA members showed a higher level of agreement than non-SPA members in response to the statement “mandatory application of IFRS leads the profession to be an important job of future”, but the difference between the groups was non-significant (P= 0.354).

- The SPA respondents showed greater agreement with the statement “mandatory application of IFRS contributes to the professional development of members and the increase of social statues of them”, compared with non-SPA respondents, but the difference was non-significant (P= 0.373).

- The SPA members showed stronger agreement than non-SPA group in response to the statement “mandatory application of IFRS increases the profile of members of the profession as highly-educated and qualified professionals”. The P value of 0.100 indicates that there is no difference between both of the profession members in their approaches towards the question, and the result is statistically significant at $P < 0.010$ level,

- The SPA members showed stronger agreement with the statement “mandatory application of IFRS increases the interest in and significance of the accounting profession in Turkey”, but the different between groups was non- significant (P= 0.114).

- The SPA members show significantly greater agreement than non-SPA in response to the statement “with the mandatory application of IFRS, there will a transition from traditional to modern perceptions of accounting and members of the accounting profession should re-structure themselves in a professional sense” (P= 0.005).

- The SPA members show a lower level of agreement than non-SPA members in response to the statement “mandatory application of IFRS will complicate the vocational activities of members of profession and therefore they will incline to new professional fields”, but the difference is non-significant (P= 0.301).

- The SPA members showed significantly greater agreement than non-SPA in response to the statement “mandatory application of IFRS will increase the vocational responsibilities of members of profession and they will use professional judiciary process” (P= 0.000).

- Members of the SPA group showed significantly stronger agreement with the statement “since the mandatory application of IFRS contributes much to the vocational activities of members of the profession, they should be educated with a common education program prepared by TURMOB, Chambers of Public Accountants and Sworn-in Public Accountants, Political authorities and an academic environment” (P= 0.000).

- SPA members showed significantly lower agreement than non-SPA in response to the statement “the mandatory application of IFRS will not help members of profession to gain incentive, marketing-focused qualifications as well as their knowledge and skills” (P= 0.000). The P value of 0.000 indicates that there are differences between both profession members in their approaches towards the question and the result is statistically significant,

- The SPA members showed significantly higher agreement than non-SPA members in response to the statement “the mandatory application of IFRS will contribute to members of the profession to realizerealizing their professional operations without violating ethical rules” P= 0.000. The P value of 0.000 indicates significant differences between the groups in their approaches towards the question,

If we evaluate the influence of mandatory application of IFRS on vocational activities of SPA and non-SPA accountancy professionals within the context of H1 hypothesis;

H1= *There is a difference in terms of the influence of the mandatory application of IFRS on vocational activities SPA and non-SPA the members of the accountancy profession.*

H0= *There is no difference in terms of the influence of the mandatory application of IFRS on the vocational activities of SPA and non-SPA members of the accountancy profession.*

Table 4: Total Influence of Mandatory Application of IFRS on Vocational Activities

Variables	SPA		Non-SPA		Mann-Whitney U test, p-değeri
	Mean	Std.Deviation	Mean	Std.Deviation	
Total Scores	25,8725	4,71669	26,6154	4,35916	0,001

When we examine all the Likert responses to all of the survey questions according to Table 4, we gathered the answers given to 12 questions and called this variable as total score. There is a statistically significant difference between the responses of SPA and non-SPA members. SPAs show more positive opinions on the effect of mandatory application of IFRS on vocational activities. Therefore, H1 hypothesis should be accepted and H0 hypothesis should be rejected. The P value of 0.001 indicated that there are significant differences between both groups of professional members in their opinions of the survey statements and the result is statistically significant at $p < 0.01$ level.

Table 5: The Influence Process of Mandatory Application of IFRS on Vocational Activities of Dependent and Independent Members of the Profession

Variables	Dependent		Independent		Mann-Whitney U test, p	N
	Mean	Std.Deviation	Mean	Std.Deviation		
The mandatory application of IFRS positively affects qualification levels among members of the accounting profession	1,7347	0,75370	1,8618	0,50748	0,001	981
The use of a common financial reporting language with IFRS will facilitate the analysis of financial statements	1,8061	0,76869	1,8777	0,47475	0,014	981
Mandatory application of IFRS improves the future standing of the accountancy profession	1,8776	0,88824	1,9230	0,50705	0,022	981
The mandatory application of IFRS will contribute to the vocational development of members of the accounting profession and increase their social status	1,9898	0,86745	1,9434	0,52937	0,864	981
The mandatory application of IFRS will increase the profile of members of the accounting profession as being highly-educated and qualified	1,9388	0,77081	1,9253	0,51844	0,654	981
The mandatory application of IFRS will increase the importance of accounting profession and the interest in it	2,1122	0,95121	1,9570	0,55366	0,263	981
The mandatory application of IFRS will begin the transition from traditional to modern perceptions of accounting and therefore members of accounting profession will re-structure themselves professionally	1,7959	0,71737	1,9196	0,55050	0,017	981
The mandatory application of IFRS will complicate the vocational activities of members of the accounting profession candidates therefore be inclined to follow other professions	3,2551	1,35701	3,3715	1,40058	0,438	981
The mandatory application of IFRS will increase the vocational responsibilities of members of the profession and they will use professional judicial process	2,1327	1,09014	3,4802	1,62618	0,000	981
The mandatory application of IFRS will significantly affect the vocational activities of members of profession and therefore they should follow a common training and	1,5816	0,67233	1,8935	0,51727	0,000	981

qualification program formed by TURMOB, Chambers of Public Accountant and Sworn-in Public Accountants, political authorities within an academic environment						
The mandatory application of IFRS will not contribute to incentivizing members of the profession to become, marketing-focused and qualified as well as furthering their knowledge and skills	3,3163	1,44734	2,5176	1,08926	0,000	981
The mandatory application of IFRS will be implemented by members of the profession without violating the ethical rules of vocational implementations	1,9898	1,03041	1,9400	0,53220	0,000	981

The Mann–Whitney U test was used to analyze the influence of mandatory application of IFRS on vocational activities according to dependent and independent members of the profession (see Table 5):

- Dependent members of the profession show significantly greater agreement with statement “mandatory application IFRS positively affects the qualification level of members of accounting profession” $P= 0.001$, indicating that there are differences between both profession members at the $p < 0.01$ level,
- Dependent members of the profession agree with the statement, “the use of a common financial reporting language with IFRS facilitates the analysis of financial statements” more than independent ones. The P value of 0.014 indicates that there are significant differences between the groups in their approaches towards the at the $p < 0.05$ level,
- Dependent members of the profession agree with the statement, “mandatory application of IFRS will improve the future importance of the profession” more than independent members. The P value of 0.022 indicates that there are significant differences in their in the approaches of the groups at the $p < 0.05$ level,
- Dependent members of the profession show less agreement then independent members in response to the statement, “mandatory application of IFRS contributes to the professional development of members and an increase in their social status”. The P value of 0.864 indicates that there is no significant difference between both professional groups,
- Dependent members of the profession expressed lower level of agreement than independent members in response to the statement, “mandatory application of IFRS increases the profile of members of the profession as highly-educated and qualified professionals”. The P value of 0.654 indicates that there is no significant difference between both professional groups,
- Dependent members of the profession showed less agreement than independent members in response to the statement “mandatory application of IFRS increases the interest to

and significance of accounting profession in Turkey” less. The P value of 0.263 indicates that there is no significant difference between both professional groups,

- Dependent members of the profession showed greater agreement than independent members in response to the statement, “the mandatory application of IFRS will facilitate a transition from a traditional to modern perception of accounting and members of accounting profession should re-structure themselves in a professional sense”. The P value of 0.017 indicates that there are significant differences between the groups in their approaches towards the question and the result is statistically significant at $p < 0.05$ level,

- Dependent members of the profession showed less agreement than independent members in response to the statement, “mandatory application of IFRS will complicate the vocational activities of members of profession and therefore they will be incline inclined to new follow alternative professional fields”. The P value of 0.438 indicates that there is no significant difference between profession members in their approaches towards the question,

- Dependent members of the profession showed greater agreement than independent members in response to the statement, “mandatory application of IFRS will increase the vocational responsibilities of members of profession and they will use professional judiciary process”. The P value of 0.000 indicates significant differences between the groups in their approaches towards the question,

- Dependent members of the profession showed greater agreement than independent members in response to the statement, “since the mandatory application of IFRS contributes much to vocational activities of members of profession, they should be educated with a common education program prepared by TURMOB, Chambers of Public Accountants and Sworn-in Public Accountants, Political authorities and an academic environment”. The P value of 0.000 indicates that there are significant differences between the groups in their approaches towards the question,

- Dependent members of the profession showed less agreement than independent members in response to the statement, “the mandatory application of IFRS will not assist members of profession to gain incentive, marketing-focused qualifications as well as their knowledge and skills”. The P value of 0.000 indicates that there are significant differences between the groups in their approaches towards the question,

- Dependent members of the profession showed less agreement than independent members in response to the statement, “the mandatory application of IFRS will enable members of the profession to realize their professional implementations without violating ethical rules”. The P value of 0.000 indicates that there are significant differences between the groups in their approaches towards the question.

If we examine the influence of mandatory application of IFRS on the vocational activities of dependent and independent members of the profession within the context of H2 hypothesis;

H2= *There is a difference in the influence of the mandatory application of IFRS on the vocational activities of dependent and independent members of the profession.*

H0= *There is no difference in the influence of the mandatory application of IFRS on the vocational activities of dependent and independent members of the profession.*

Table 6: Total Influence of the Mandatory Application of IFRS on Vocational Activities of Dependent and Independent Members of the Accountancy Profession

Variables	Dependent		Independent		Mann-Whitney U test, p-değeri
	Mean	Std.Deviation	Mean	Std.Deviation	
Total Scores	25,5306	5,69537	26,6104	4,24638	0,004

According to Table 6, when the answers given to all questions are examined as a whole, there is a statistically significant difference between the perceptions of dependent and independent members. Therefore, H2 hypothesis should be accepted and the H0 hypothesis should be rejected. Dependent members expressed significantly stronger opinions on the positive contribution of the mandatory application of IFRS to the vocational activities of members of the profession. The P value of 0.004 indicates that there is a significant difference in the approaches of the groups at $p < 0.01$ level.

3.CONCLUSION

The survey responses show that members feel the mandatory application of IFRS will have positive effects on qualification levels of members of the accountancy profession, thereby facilitating the analysis of financial statements. Since IFRS contributes significantly to the vocational activities of members of the profession, they should with undergo a common training program prepared by TURMOB, Chambers of Public Accountants and Sworn-in Public Accountants, Political authorities within an academic environment. The mandatory application of IFRS will improve the future prospects of members of the accountancy profession. In addition, IFRS will contribute to raising the profile of the members of accounting profession as being educated and qualified to a high professional standard.

If we evaluate the IFRS application in terms of its influence on the vocational activities SPA and non-SPA members of the members of the accountancy profession, SPAs expressed the following opinions compared to Certified Public Accountants:

- The use of common reporting language with IFRS will facilitate the analysis of financial statements by members of the profession,

- The profile of members of the profession as being educated and qualified to high professional standards will increase,
- There will be a transition from a traditional to modern perception of accounting and members of the profession will re-structure themselves in this context,
- The vocational responsibilities of members of the profession will increase,
- The mandatory application of IFRS will incentivize members of the profession to achieve marketing-focused qualifications as well as improving their knowledge and skills,
- Members of the profession will realize the vocational implementations operations without violating ethical rules.

In terms of the influence of IFRS on vocational activities of dependent and independent members, dependent members expressed the following opinions:

- Mandatory application of IFRS will positively affect the qualification level of members of the accounting profession,
- The use of common reporting language with IFRS will facilitate the analysis of financial statements by members of the profession,
- Members of the accounting profession will have one of the most important jobs in future,
- Since there will be a transition from traditional to modern perception of accounting, members of the accounting profession will re-structure themselves in this sense,
- The vocational responsibilities of members of the profession will increase,
- The mandatory application of IFRS will not contribute to members of the profession incentivizing and achieving marketing-focused qualifications in their knowledge and skills,
- Members of the profession will realize the vocational implementations without violating ethical rules.

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