

IFRS, The Accounting Consensus, and Its Implications for Accounting Education

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An Overview

- **A different perspective**
- **You would be left behind if you do not follow the crowd**
- **Washington Consensus**
- **Accounting Consensus—five main elements**

Accounting Consensus 1

- **The standards developed should be confined to principles, and not become detailed rules**

Accounting Consensus 2

- **A single set of high quality written standards of financial reporting applied to all companies (at least the publicly traded ones) in the world will improve financial reporting by making financial reports more comparable, and thus assist investors and other users of financial statements make better decisions**

Accounting Consensus 3

- **The best way to develop such standards is to create a single deliberative corporate body consisting of appropriate experts with a proper governance structure and legally assured funding, functioning under the oversight of statutory regulatory authorities such as the SEC and the EC**

Accounting Consensus 4

- **To this end, the operations of the FASB and the IASB should be gradually merged into one corporate body and one set of standards to be called IFRS**

Accounting Consensus 5

- **This single set of standards should be practiced in the U.S., EC, and elsewhere, and the U.S. educational system should prepare itself to integrate IFRS into its curricula so U.S. graduates will be able to prepare, use, and audit financial reports based on IFRS**

Concluding Remarks

- In the preface to his Dictionary, Johnson wrote about his “fortuitous and unguided excursions into... the boundless chaos of a living speech.” Can authoritative uniform standards without collaboration with social norms bring a semblance of order to the chaos to financial reporting? After seven decades of incessant efforts, the answer stares us in the face

Thank You.

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