

GLOBALIZATION'S IMPACTS ON ACCOUNTING RESEARCH

Ashok Sahi, Dr. Kavita Dua

^[1] Ph.D. Research Scholar (Department of Management) NIMS University Jaipur, INDIA.

^[2] Associate Prof. (Department of Management) Kurukshetra University, Kurukshetra, INDIA

Abstract: In this study we concentrate our efforts on the consequences that the existence and manifestation of globalization have on various domains of human activity. The impact of globalization will be analyzed from the perspective of the cause-effect relationship, with a special emphasis on the consequences of the phenomenon. The accounting domain is today into real connections with phenomenon of globalization. This paper explores the idea of globalization and considers accounting's role in that process in order to develop new spaces for accounting research. The paper defines globalization and expands the globalization and accounting research agenda introducing in this context the harmonization process in accounting.

Key Words: - Globalization, International Accounting, Impact.

1.INTRODUCTION

One of the great social processes in the history of humanity is the globalization. The roots of the globalization are in the illuminists works like David Ricardo and Adam Smith “: The reaches of the nations” going forward through the Karl Marx opera until our ages. Accounting is often called the language of business. The basic function of any language is to serve as a means of communication. The financial result of different companies cannot be compared and evaluated unless full information is available about the accounting methods, which have been used. The varieties of accounting practices have made it difficult to compare the financial result of different companies. Further, the alternative accounting methods have also enabled the reporting of different result even by the same company.

2.LITERATURE REVIEW

The paper has based its conclusions on the researches of [1] which is underling the role of the multinationals in implementation of an international accounting system, and the organizations which imposed the international accounting system to the accounting world [2] who shows that the most of the researches are made by the American researchers which extrapolate the conclusions obtained on their economical environment to the entire world which is not necessary always thru [3], [4] a Romanian researcher which was the first in it's country which presented the need to connect the Romanian accounting system to the international environment; [5]; which identified also some big challenges for the accounting research in the next period taking in consideration the global need on harmonization in accounting [6] which emphasize the globalization challenges in the next period [7] which shows the evolutions in the accounting of finish area [8] which presented the impact of the crises on the need for a reliable accounting system [9] which discuss about the new evolution in the accounting taking in consideration the globalization process. Our study comes like a review of whose studies conclusions in order to identify the directions needed to be followed by the accounting researchers in the following period. [12] is debating about the role of the accounting as being a method of evaluation and the allocation of the scare resources, and the evolution of the accounting systems is determined by requirements of

economic efficiency. [10] discusses challenges and opportunities facing international accounting researchers and demonstrates the relevance of markets-based international accounting research to those new to the area. The opportunities for conducting international accounting research are many and growing. [11] presents some barriers in the harmonization of the accounting process from the perspective of the ninety-nineties years times [11].

3.METHODOLOGY

As a result of the literature review we have identified the relationship between the globalization process and the accounting need of development in the future. The main factors, which generate subjects of future accounting researches, are identified from the conclusions of previous studies, which are identifying the unsolved problems of the accounting facing the global process of harmonization.

4.GLOBLIZATION INACCOUNTING RESEARCH

First, we must define what globalization and globalization research are, and what is its role in development of the international accounting. Like Canada's trade minister Pierre Pettigrew said, the "globalization, quite simple, is part of the natural evolutionary process, it goes hand in hand with the progress of humanity, something which history tells us no one can stand in the way of" [6]. The extent to which globalization is something new depends on what globalization's material or symbolic processes are assumed to be. If we refer just to identify it with practices like international trade or investments, we can tell that globalization is not really new. Accounting is seen like a method of evaluation aimed at the allocation of scarce resources, that why the mobilization of accounting numbers assures a flow of information to manage the internal complexity of firms.

The evolution of accounting systems is determined by requirements of economic efficiency mediated by organizers seeking higher returns from economic resources. The financial accounting is considered an important factor, which influence the function of the capital market, because this accounting information allows investors to make their decisions for investment. To make this possible it is need to applied quality accounting standards, a good interpretation and application of those by managers, and of course a very good protection of shareholder rights. The business community has admitted that the accounting is "the language of business".

The comparison, as the basic form of economical judgment can be realized, only if the premises are accomplished: the basis of comparison is made using the same production methodology, or in other words, the accounting system is unique for all the companies involved in the analysis. Anyway, in my opinion there are at least two directions:

1. Actual processes of harmonization in the accounting due to the globalization of the occidental capitalist economy;
2. Future expansion of the harmonized accounting in emerging economies and in other cultures which is the new challenge of the accounting research Regarding the first issue an important role in accounting development and in accomplish of the conditions mentioned has the influence of the IASB (International Accounting Standards Board).

5.Factors Raised From Globalization Which Affect The Accounting Research

Research, in this real international context presents some special challenges, like

- Information Availability
- Reliability of the information.
- careful in exporting theories and accepted business practices to other countries.

- Relevance of the results..
- Different perception of the financial information.
- Another important factor in globalization is the increasing number of listed firms

6.CONCLUSION

The globalization process is the biggest challenge of the actual period. Despite of the efforts of the supporters to promote the global economy this can not be realized on short term due to the major cultural and social discrepancies in the world. Although there are some challenges to conducting international accounting research, we believe that this paper offers a lot of opportunities for academics around the world to develop their researches on relationship between the accounting and its globalization process. The relevance of international accounting research continues to increase because of the growing importance of international factors on the usefulness of national accounting information. Cross national research can provide further insights into the environmental and institutional factors that affect the usefulness of accounting information and can also address whether accounting phenomena occurring in one country continue to occur in other countries. One distinct advantage of international accounting research is the opportunity to use available information in another country to address issues of concern in the researcher's own home country where they may not be available, but there where this information are needed by the investors on the first, also needed by the other financial information users.

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