

Perceptions Of Professional Accountants On The Costs And Benefits Of Implementing Ias/Ifrs In Romania

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Abstract: - This study aims to investigate the perceptions of professional accountants on the costs, benefits and implications of applying IFRS in Romania. The main results show that the benefits of implementing IFRS is ensuring greater transparency and comparability of financial information. In terms of costs, most respondents felt that the main costs is related to staff training, this being one of the factors that have caused difficulties in implementing IFRS. Regarding the quality of financial information after the adoption of standards, we conclude that it will improve considerably.

Key-Words: - International Financial Reporting Standards, benefits, costs, implications, professional accountants

1. Introduction

The alignment with International Financial Reporting Standards (IFRS) is largely due to organization. The impact of globalization is illustrated by the increasing number of multinational companies, economic integration as measured by the development of trade and relations between countries.

Therefore, globalization has led to a single accounting language IASB responded to this need by issuing IFRS (Albu et al., 2011)¹. In addition to a natural phenomenon of alignment with IFRS met a many countries due to the need to maintain competitiveness in international markets in emerging countries has shown the need to improve the accounting system and IFRS were considered a model.

In Romania, as in other emerging countries, both the World Bank and FMI had a strong influence in the implementation of IAS/IFRS, by promoting them as a role models.

Thus, if the entities listed on regulated markets in the European Union must prepare consolidated financial statements in conformity with International Financial Reporting Standards since 2005 in Romania first experiences with IFRS took place immediately after 2000, rather as a process of convergence EU accession led to the issuance OMFP no. 1121/2006 where by companies whose securities are admitted to trading on a regulated market and which consolidated financial statements are obliged since 2007 to apply International Financial Reporting Standards (Petre and Lazăr, 2012)². Recently, standardizes of Romania has decided to extend the scope of IFRS by issuing Order no.881/2012.

Under this law, companies whose securities are admitted to trading on a regulated market are required to apply IFRS in individual annual financial statements as of financial year 2012.

Since IFRS is based primarily on Anglo-Saxon traditions, their application in countries with different traditions can lead to different results. Moreover, emerging countries may seem less prepared to apply IFRS. Albu et al (2011)³ show that the problem of implementing IFRS is quite complex and many aspects need to be considered when assessing the implementation of IFRS: Romanian accounting system characteristics, its historical perspective, characteristics and attitudes of Romanian companies, users of financial statements and expectations ant not finally, the features of Romanian accounting profession. In this regard, although there is a

¹ Albu, C., Albu, N., Bunea, Ș., Calu, D., Gîrbină, M. (a) „A story about IAS/IFRS implementation in Romania – an institutional theory perspective”, *Journal of Accounting in Emerging Economies*, vol.1, nr. 1/2011, pp. 76-100

² Petre, G., Lazăr, A. -, Some aspects concerning the application by economic operators of International Financial Reporting Standards”, *Finacial Audit Journal*, No. 9/2012, pp. 3-9

³ Albu, C., Albu, N., Bunea, Ș., Calu, D., Gîrbină, M. (2011) (a), work cited, pp.76-100

growing literature on the application of IFRS in Romania, complexity leads to the need for basic research conducted in various theoretical and methodological perspectives.

The purpose of this step, is to identify the cost-benefit of implementing IFRS in Romania and to identify the problems encountered in the transition from OMFP no.3055/2009 to International Financial Reporting Standards.

1.1. Benefits resulting from the application of IFRS

Applying IFRS is an activity with a high level of complexity, which requires the existence of solid professional knowledge in the field, but also an understanding of the problems of an accounting⁴. Of course, analysis of the implementation process, both at the country and the entity is limited to comparing costs and benefits. The need to document empirically the existence or lack of benefits of IFRS adoption is all the more important in countries where the implementation of International Accounting Standards was decided on political considerations more than a business requirement⁵.

Some authors have wondered why some emerging countries decide to adopt international standards, despite the various obstacles and difficulties encountered during the process.

The answer is given in terms of advantages and benefits that come along with decision: increasing the comparability and the transparency of financial information, harmonization of internal and external reporting under IFRS, creating a common accounting language or reducing information asymmetry (Pășcan & Turcaș, 2012)⁶. It has been shown by studies that increase market liquidity at the time of implementation of international standards, along with appreciation of shares and reducing the cost of capital (Ionașcu et al., 2011)⁷. In a study by Ramana and Sletten (2011), they emphasized the "network effect". They noted that some countries have adopted IFRS rules if their trading partners and countries within their geographical region have adopted. Thus, it improves the perception of the benefits of adopting IFRS, starting at reducing transaction costs and continuum to increase the use of financial statements by foreign users (Ionașcu et al., 2011).

A study conducted on entities in Greece on the adoption of IFRS, showed that 91,7% of respondents demonstrated that financial statements prepared in accordance with IFRS users are more credible than in accordance with their national rules, and 70,8% were agreed that the implementation of IFRS increase comparability of financial information. Furthermore, 58,3% believe that high quality financial reporting will facilitate access to international markets and 41,7% claim to have easier to resort to external financing (Ballas et al., 2010)⁸.

In Romania, the implementation of IFRS has not been seen from the beginning as bringing many opportunities, but on the contrary. An illustrative example is the statement of CFO; where asked the advantages of adopting IAS/IFRS, it said "there is no advantage, just an obligation" (Ionașcu et al., 2007)⁹. But gradually, the business realize the benefits of IFRS, although scepticism still exists.

Albu C. and Albu N (2012)¹⁰ believes that the reasons for adopting IFRS in Romania and the expected benefits are normally expressed in more general terms and refers to economic development.

In a study conducted in 2007 by Ionașcu et al., almost all companies have considered that the adoption of IAS/IFRS leads to better communication in the capital market, providing more relevant information to investors, and half agreed that the implementation opportunity arises accessing international financial markets. In another study conducted three years later, the same authors concluded that there is a statistical argument to

⁴ Mihai, M., Drăgan, C., Ciomag, A., Iota, A. -, "Considerations of IFRS enforcement capacity", *Financial Audit Journal*, No. 8/2011, pp. 37-42

⁵ Ionașcu, I., Ionașcu, M., Mihai, S. -, "Implementation of IFRS and reduce the cost of capital for Romanian companies listed", *Financial Audit Journal*, No. 1/2010, pp. 32-36

⁶ Pășcan, I.D., Turcaș, M. -, "Measuring the impact of first-time adoption of International Financial Reporting Standards on the performance of Romanian listed entities", *Procedia Economics and Finance* 3/2012, pp. 211-216

⁷ Ionașcu, I., Ionașcu, M., Munteanu, L. -, "Motivations and consequences of IFRS adoption: perceptions on institutional factors Romanian Environment", *Financial Audit Journal*, No. 12/2011, pp. 33-41

⁸ Ballas, A.A., Skoutela, D., Tzovas, C.A. -, "The relevance of IFRS to an emerging market: evidence from Greece", *Managerial Finance*, vol. 36, nr. 11/2010, pp. 931-948

⁹ Ionașcu, I., Ionașcu, M., Olimid, L., Calu, D. -, "An empirical evaluation of the costs of harmonizing Romanian accounting with international regulations (EU Directives and IAS/IFRS)", *Accounting in Europe*, vol. 4/2007, pp. 169-206

¹⁰ Albu, N., Albu, C.N. -, "International Financial Reporting Standards in an emerging economy: Lessons from Romania", *Australian Accounting Review*, vol. 22, nr. 63/2012, pp. 341-352

support the IFRS induced a better financial communication, which led to the economic advantage of a lower cost of capital for Romanian companies listed.

Following research has shown that the benefits of adopting IFRS depend largely on the motivations underlying their application, and the local context in which they are applied (Ionașcu et al., 2011). Also Dănescu and Spătăcean (2011)¹¹ states that the implementation of IFRS will stimulate companies to improve the quality of financial reporting for stakeholders by strengthening competitive position in terms of access to global financing cost.

Ionașcu et al., (2011) investigated the views of CFO of companies listed on the Bucharest Stock Exchange 78,4% of respondents indicated that IFRS have generated greater international comparability; 86,5% felt that information obtained by IFRS are relevant to investors; 56,8% indicated that IFRS provides a good source of information for making economic decisions managers; 40,5% said that IFRS allow access to foreign financial markets; and 13,5% indicated that international standards provides access to funding sources with a lower cost.

In another study (Gîrbină et al., 2012)¹² suggests that the adoption of IFRS has a positive impact on the level of transparency of listed companies (especially banks), the amount of information disclosed is higher.

1.2. The costs associated with the adoption of IFRS

IFRS implementation involves costs. Otherwise, the first study undertaken to investigate these issues was of 2005 (Ionașcu et al., 2007).

Questionnaires were sent to the entities listed on the Bucharest Stock Exchange, the answers are the following: the main costs were those with training of staff (94,7%), adjustment systems (65,85), calling consultants (65,8%) and double reporting (23,7%).

The cost of implementing IFRS in Romania is considered to be lower in other countries as a result of partial adoption of standards. As stated Ristea et al.,(2010)¹³, some researchers have noted that investors are no costs involved in understanding and interpreting financial statements of foreign entities and the adoption of uniform standards significantly reduce these costs and increase investments in foreign capital markets.

In a study by Albu C. and Albu N (2012) observed that those additional maintenance costs up to three reporting systems (compliance with national regulations, IFRS and tax) and increased audit costs have been concern for those who prepare such financial statements. Those interviewed were of the opinion that, in general, IFRS implementation costs will outweigh the benefits in the next two or three years after the implementation of these standards. It is believed, however, that long term benefits will outweigh the costs, however, because IFRS reporting becomes a routine process embedded in culture.

Also, there are some limitation or difficulties in implementing IFRS. Many authors argue that these standards are too complex and expensive or that will adversely effect the relevant financial reporting (Pășcan and Țurcaș, 2012). Dănescu and Spătăcean (2011) identified some negative aspects in the financial reporting process specific financial investment companies from the research they performed. Thus, among the difficulties found are:

- some portfolio companies, which are in the scope of consolidation, apply IFRS;
- using different policies within the group that generated significant differences in evaluation structure of financial statements;
- mandatory compliance deadline of four month from the balance sheet date for presentation of consolidate financial statements in conformity with IFRS, has made it impossible restatement of financial statements of companies in the consolidation.

Some researchers say that several factors such as the economic, political or cultural, can influence the adoption and implementation of IFRS in a certain country and this will affect the comparability between countries (Pășcan and Țurcaș,2012). This is the case of Romania which is characterised as having low quality

¹¹ Dănescu, T., Spătăcean, O. -, „Limitations and inadequacies in the financial reporting under IFRS”, *Financial Audit Journal*, No. 4/2011, pp. 42-52

¹² Gîrbină, M., Minu, M., Bunea, Ș., Săcărin, M. -, „Perceptions of preparers from Romanian banks regarding IFRS application”, *Accounting and Management Information Systems*, nr. 2/2012, pp.191-208

¹³ Ristea, M., Jianu, I., Jianu, I. -, „Romania's experience in applying the International Financial Reporting Standards and International Accounting Standards for the Public Sector”, *Transylvanian Review of Administrative Sciences* 1(25)/2010, pp. 169-192

regulations, the existence of a law accounting for most entities, a stock exchange underdeveloped preference for financing through banks and tax reporting practices oriented (Albu C. and Albu N, 2012).

At the same conclusions, opposite the difficulty of applying these standards have reached Albu et al. (2011) in a study of the problems encountered in the implementation of IAS/IFRS in Romania. The authors consider that Romania cannot be regarded as a country that successfully apply IFRS, but the one that shows a certain resistance to change. The obstacles encountered are usually importance of taxation, lack of educational trainings and resources.

As states Ionașcu et al (2011), the Romanian economic environment is characterized by a number of specific institutional factors such as weak stock market capitalization and low quality, funding predominantly banking entities and the quality of corporate governance, which can influence the quality of financial reporting based on IFRS and lead to differences in the application of IFRS in Romania compared to other countries.

In a study by Pășcan and Țurcaș (2012) on listed companies in Romania, it was observed that the application for the first time IFRS differs from one entity to another. In some cases the adoption of IFRS resulted in slight increase or decrease in net income in the consolidated financial statements. There differences may be caused by size entities, for their field or on the adoption of IFRS-mandatory or optional.

1.3. Implication of adopting IFRS

The literature found several studies with conflicting results regarding the effects of adopting IFRS. For example, a study of Greece (Ballas et al., 2010), concluded that the introduction of international standards to improve the quality of accounting information of Greek companies. Another study, based on 327 companies in 21 countries that have adopted IAS/IFRS in 1999-2003 examined the relation between those standards and the quality of financial reporting. The companies applying IFRS financial information communicated by a higher quality than those that apply to national standards (Barth et al., 2008)¹⁴. Also, companies that have implemented IAS/IFRS, financial reporting quality has improved considerably since the adoption of standards in the preparation and publication of financial statements.

Zeghal and Mhedhabi (2012)¹⁵ analyzed the association between the use of IAS/IFRS and development of capital markets in emerging countries. The study was conducted on a sample of 38 developing countries found that adopted IASB standards.

As in the other two studies, the implementation of IFRS has improved the quality of financial statements of listed companies and to motivate investors to trade more.

A study of the different results of the above is that of Dennis Taylor (2009)¹⁶. It examined the effects of IFRS adoption on the quality of accounting information of listed companies in the UK, Hong Kong and Singapore. In the study, the author argues that there is little information to conclude that the financial statements comply with IFRS bring more value to those prepared under GAAP, regardless of the level of harmonization of accounting standards in a country. The question of Pilcher and Dean (2009)¹⁷ "IFRS reporting adds value to management or local government?" Answer, based on interviews with various executives of Australian council seems to be negative.

2. Research Methodology

This study aims to investigate the perceptions of professional accountants on the costs, benefits and implications of applying IFRS in Romania, use professional accountants perceptions has been used in other studies, such as Ionașcu et al. (2007) and Ionașcu et al. (2011). Data was collected through questionnaire and processed using Excel.

¹⁴ Barth, M., Landsman, W., Lang, M. -, "International Accounting Standards and Accounting Quality", *Journal of Accounting Research*, vol. 46, nr. 3/2008

¹⁵ Zeghal, D., Mhedhbi, K. - „Analyzing the effect of using international accounting standards on the development of emerging capital markets”, *International Journal of Accounting and Information Management*, vol. 20, nr. 3/2012, pp. 220-237

¹⁶ Taylor D. - „Costs-benefits of adoption of IFRS in countries with different harmonisations histories”, *Asian review of Accounting*, vol. 17, nr. 1/2009, pp. 40-58

¹⁷ Pilcher, R., Dean, G. -, "Implementing IFRS in local government: value adding or additional pain?", *Qualitative research in Accounting & Management*, vol. 6, nr. 3/2009, pp. 180-196

The sample is formed, mostly of young professional accountants education, knowledge and skills in IFRS. It is known that the emerging young professional accountants have better knowledge in IFRS and therefore a better understanding of the phenomenon analyzed. The number of completed questionnaires received is 52, a number considered acceptable, given that, for example, the sample of Ionașcu et al (2011) consists of 37 respondents. The questionnaire had a total of 14 closed questions, of which 3 were type choice single answer, multiple choice may 3 type hierarchy and 3 type rating on a Likert scale. Were included questions about respondents' profile (for example, their age range) and questions to answer particular objective, focusing on three areas of investigation as:

- investigate the costs required to implement IFRS in Romania;
- investigate the benefits of implementing IFRS in Romania;
- analyze the implications of the decision will be applying IFRS.

3. Analysis of results

Before analyzing the costs, benefits and implications of the application of international financial reporting standards in the country of our adventure, we wanted to find out what is considered to be the main reasons that led to the decision of implementing IFRS in Romania. The results are summarized in the following table:

Table no.1

	Frequency	Percentages
Requirements	42	81%
Request of shareholders	29	56%
Access to external financing	31	60%

From the responses we found that 71% of respondents believe that the decision of implementing IFRS has not spent a single reason. Thus, it is easy to see that the reason is given legal requirements, 81% of respondents believing that legal obligations underlying the increased scope of application of IFRS in Romania.

Given that, since 2012 credit institution are required to apply IFRS in individual accounts and entities regulated and supervised by CNVM to prepare another set of financial statements in conformity with IFRS for information purposes, we can say that indeed, the legal requirements had a significant impact on entities. Another reason considered by 60% of respondents, was access to foreign funding, and 56% were of opinion that shareholders demand influenced this decision.

Our result correlates with the results of a study conducted by Ionașcu et al. So in 2007, they assumed and the study confirmed that the majority of listed companies began to apply IAS/IFRS only after they became mandatory, and few companies applying IAS/IFRS (10,5%) before one were to obtain external financing.

Another study by Manolescu et al. (2009)¹⁸ showed that companies prepare financial statements in conformity with IFRS, in particular because they are required by banks/lenders (50%) or shareholder (47%).

How entail additional costs for implementing IFRS is a set of standards and complex, are considered particularly suited for large entities. However, many countries have imposed smaller entities applying IFRS in order to improve the accounting system (www.iasplus.com).

Thus, we investigated the perception of respondents about entities should apply IFRS mandatory, depending on their size.

According to Table no.2, 100% of respondents believe that large enterprises (1000 employees or more) should apply IFRS mandatory 90% believe that large companies (250-999 employees) should apply IFRS, and 3% believes that all business must apply these standards.

¹⁸ Manolescu, M., Morariu, A., Roman, A.G, Mocanu, M. -, „Priorities and responsibilities in the extension of the International Financial Reporting Standards (IFRS) in Romania”, *Financial Audit Journal*, No. 8/2009, pp. 21-27

Table no.2

	Frequency	Percentages
Small entities	3	6%
Medium-sized entities	25	48%
Large entities	47	90%
Very large entities	52	100%

Therefore, it is noted that even in Romania some respondents believe that IFRS improved accounting information and may impact on economic development entities and may be applicable to medium-sized entities.

Previous studies show that the financial statements under IFRS are generally audited, especially if listed entities, the Big Four we investigated whether young professional accountants believe that financial statements prepared under IFRS should be audited by the Big Four multinationals or not:

Table no.3

	Frequency	Percentages
Yes	20	38%
No	32	62%

Only 38% of respondents believe that financial statements should be audited by the Big Four, 62% believing that they can be audited by other audit firms, a result that contrasts with other studies on the subject. Thus, some studies have shown the importance of audit firms in accordance with the IFRS and this is evidenced by the degree to which they are involved in working with their clients, assisting them in understanding the complex standards and the establishment of accounting systems that can prepare financial statements in conformity with IFRS (Hodgon et al., 2009)¹⁹.

Previous studies have shown that local auditors are very concerned about keeping customers and are therefore seen as less independent. The people involved in the accounting of the Big Four firms considered more independent than local firms audit. For example, the Czech Republic, large companies were audited by Big Four were tested before implementation and application of IFRS have received support from their auditors, while auditors were local entities that have not had any help (Albu C. and Albu N., 2011)²⁰.

In a study by Houqe et al (2012)²¹ which was based companies in 46 countries, it was intended that the proportion of firms audited by Big Four increases with the adoption of IFRS.

Research has shown that firms located in countries with strong governments that have adopted IFRS, are more willing to hire auditors from Big Four auditors than other audit firms.

3.1. The benefits of implementing IFRS in Romania

The first direction that I went to meet the objective of this study was to investigate the benefits of implementing IFRS in Romania. Thus, in Table no.4, we summarized the main benefits:

Table no.4

The benefits of implementing IFRS in Romania

	Total	Rank
Ensuring comparability of information	133	1
Reducing information asymmetry	180	5
Increased transparency of financial	138	2

¹⁹ Hodgdon, C., Tondkar, R.H., Adhikari, A., Harless, D.W. -, "Compliance with International Financial Reporting Standards and auditor choice: New evidence on the importance of the statutory audit", *The International Journal of Accounting* 44/2009, pp. 33-55

²⁰ Albu, C., Albu, N., Fekete Pali-Pista, S., Cuzdriorean Vladu, D. (b)-, "The power and the glory of Big 4: A research note on independence and competence in the context of IFRS implementation", *Accounting and Management Information Systems*, vol. 10, nr. 1/2011, pp. 43-54

²¹ Houqe, M.N., Monem, R.M., van Zijl, T. -"Government quality, auditor choice and adoption of IFRS: A cross country analysis", *Advances in Accounting, incorporating Advances in International Accounting* 28/2012, pp. 307-316

information		
Lowering the cost of capital	169	4
Attracting foreign investment	159	3

Those who responded to our questionnaire thought that the most important benefit due to implementation of international financial reporting standards is given to ensuring comparability of information (1), both nationally and internationally.

Then comes the increased transparency of financial information (2) attracting foreign investment (3), lower cost of capital (4) and reducing information asymmetry (5).

Our results confirm those of the 2010 KPMG²² survey, which registered as main reporting better financial benefits in terms of transparency and comparability with other companies or between different periods.

However, Cole et al. (2011)²³ argue that comparability of financial statements may be just an illusion, because national accounting traditions and cultural differences can still cause differences in the application of IFRS.

To emphasize this fact, the author conducted a study to find out to what extent auditors, analysts and other users of financial statements believe that they are comparable IFRS. Thus, only 41% of respondents believe that the financial statements are comparable. The more experienced they are, the view that IFRS financial statements cannot be considered comparable. We also analyzed to what extent the implementation of IFRS would be beneficial relations with different users.

KPMG survey in 2010 showed that IFRS financial statements are relevant primarily to shareholders and then to management, potential investors and various lenders (banks).

According to the answer received by us, application of IFRS would be most beneficial to potential investors (mean = 3,48%), and for shareholders and creditors (Table no.5).

Table no.5

Relevant stakeholders

	Average	Median	Standard deviation
Relationship with potential investors	3,48	4	0,67
Relation with shareholders	3,27	3	0,66
Relation with creditors	3,12	3	0,68

3.2. The cost of applying IFRS in Romania

The study tried to capture the costs and difficulties can encounter companies that are or are forced to adopt International Financial Reporting Standards.

Table No.6

	Frequency	Percentages
Training of personnel	48	92%
Design template related financial statements	22	42%
Acquisition/modification programs	39	75%
Appealing to consultants	32	62%

Thus, most respondents felt that the main cost is borne by entities with staff training (1) he has no experience with IFRS. The second is the cost of purchasing software new or modifying existing (2). Follow costs due to the need to resort to see (3) for guidance on the application of IFRS and the last is considered by 42% of respondents are costs associated with designing layouts Financial Statements (4). The same results were

²² KPMG - „Survey on the application of IFRS in Romania” , 2010

²³ Cole, V., Branson, J., Breesch, D. -, „The illusion of comparable IFRS financial statements. Beliefs of auditors, analysts and other users”, *Accounting and Management Information Systems*, vol. 10, nr. 2/2011, pp. 106-134

also Ionaşcu et al (2007) first recorded the whole staff training costs (94,7%), followed by adjustment systems (71,1%) and those due dialling consultants (65,8%).

We then asked respondents as factors that may cause difficulties in the implementation of IFRS in Romania. Responses were measured on a scale from 1-4, where the note (1) is granted all important factors, and note (5) very important factors.

In Table no.7 we present the average, median and standard deviation for each of the six factors. The media is the biggest factor that is considered most likely to generate obstacles to the application of IFRS.

Table No.7

	Average	Median	Standard deviation
Lack of staff training	3,31	3	0,81
Link between accounting and taxation	3,27	3	0,72
IFRS based on principles	2,83	3	0,76
System inadequate	2,81	3	1,01
Tradition existing account	2,44	2	0,92
Cost-benefit	3,06	3	0,75

It appears that the most important factor that can cause difficulties is here given by (1) lack of staff training. Follow (2) the link between accounting and taxation (3), the cost-benefit (4) IFRS based on principles (5) inadequate computer system and (6) the existing accounting tradition.

In the study by KPMG (2010) ranked first found the knowledge and technical skills of the staff accountant.

Considering that respondents placed great emphasis on the lack of staff training, we wondered who would be the source form which they would call if they have difficulty in applying IFRS. According to Table no.8, the response was as follows: 69% would turn to consultants in the field, 65% would turn to national accounting rules and 42% would seek help auditors.

Table No.8

Source that would call if it happens difficulties

	Frequency	Percentages
Relevant legislation	34	65%
Consultants	36	69%
Auditors	22	42%

The results are different from those presented by KPMG study (2010), where the first is the auditors, 74% of respondents calling of them when applying IFRS complex or face new situations of financial reporting, and only 9% were turn to external consultants. This might be explained by the fact that respondents consider calling auditors could jeopardize outlined in the university. Relationship between audit firms competence in implementing IFRS and independence is complex as shown in other studies (Albu et al 2011). We can also appreciate that the report is perceived differently by professional employees with experience in applying IFRS (pragmatic aspect) to young professionals (side ideal utopian).

3.3. The implications of the decisions of applying IFRS

Decision applying IFRS consolidated financial statements as both, especially in the individual has many implications, but we wanted to find out what the implications of this decision on the quality of information to users.

Table No.9***Implications of IFRS implementation on the quality of information***

	Frequency	Percentages
Improving the quality information to a great extent	38	73%
Improving quality of information to a lesser extent	8	15%
Cannot assess the impact on the quality of information	6	12%

Most respondents, namely 73%, considered that the application of IFRS separate financial statements will improve to a great extent the quality of financial information, 15% felt that the quality will improve only to a limited extent and only 12% responded that it cannot assess the impact of this decision. Much research has been done on the subject, Ballas et al (2010), are just a few of the authors who have come to the same conclusions as us, namely that the implementation of IFRS will lead indeed to an increase in the quality of information to the users.

4. Conclusions

Our study aimed to identify which were the benefits, costs and implications of implementing International Reporting Standards in Romania.

As shown by the literature, the analysis results, the main benefits of implementing IFRS is ensuring greater transparency and comparability of financial information. Most respondents believe that the application of IFRS would be beneficial primarily for potential investors, and for shareholders and creditors, given that IFRS rules can create economic advantage of a better information environment for companies.

Professional accountants believe that among the costs of adopting IFRS in Romania include those related to staff training (92%), followed by the acquisition or modification of computer programs (75%), calling consultants (62%), and the last place are costs related statements financial and design templates (42%).

Although IFRS standards are considered high-quality accounting standards, there are certain limitations that could affect the quality of the information provided.

Thus, our results showed that the main factors that cause difficulties in implementation were lack of staff training and the link between accounting and taxation.

Another issue discussed by us in this study was about Big Four audit financial statements under IFRS. Most respondents were of the opinion that there must be audited by Big Four (62%), which proves the contrary of previous research. Note that the respondents who made this assessment are young professional accountants.

Although there are obstacles and costs inherent in the application of IFRS in Romania, our respondents agreed, a fairly large proportion (73%) the application of IFRS financial statements will improve to a great extent the quality of financial information.

To ensure full implementation of International Financial Reporting Standards, managers should not only see the adoption of IFRS as a simple accounting exercise. Thus, depending in how to implement these standards, we can evaluate the success of their application, which influence the information content of financial statements.

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