



"Indian Accounting Standards and Techniques" - 2023

**Dr.(Mrs).P.Priya, Associate professor in Commerce,
Krshnasamy college of science, Arts and Management for women, Cuddalore**

Abstract:

This paper is designed to focus mainly on Accounting standards that establish the terms and conditions of accounting policies and practices through codes, guidelines, and adjustments to facilitate the interpretation of financial statement items and their treatment in the books of account. It provides an overview of the main challenge with a gaps in climate, environmental and sustainability reporting generally. These gaps derive from a lack of standardized methodologies for preparing and presenting relevant information, resulting in multiple interpretations of terms and variation in the quality and quantity of information with accounting standards.

Keywords: ICAI, IASB, IFRS, Ind-AS

Introduction:

“ In the world of business, the people who are most successful are those who are doing what they love” A common set of principles, standards and procedures that define the basis of financial accounting policies and practices. Accounting Standards are primarily concerned with financial measurements and disclosures, and they can be viewed as a technical response to calls for improved financial accounting and reporting. Accounting standards aid in the attainment of uniformity in accounting practices. According to Kohler, an accounting standard may be defined as ‘a code of conduct imposed on accountants by custom, law or professional body.’

Concept of Accounting standards:

Accounting is the language of business. All financial information (i.e. nature of financial activities, financial position, financial results, present trend and further prospects etc.) are available through accounting. The so-called financial information is communicated to the users (both internal as well as external) of accounting information by preparing and presenting the financial statements. As such, it becomes necessary to develop some Generally Accepted Accounting Principles (GAAP) while preparing the financial statements by which the language of the business can be communicated to the users.

Universal list of Accounting Standards :

- GAAP- Generally Accepted Accounting Procedures- 1936
- IFRS- The International Financial Reporting Standards-European -2001
- ACCA- The Association of Chartered Certified Accountants- 1904
- ICAEW- The Institute of Chartered Accountants in England and Wales- 2022
- IFAC- The International Federation of Accountants-1977
- KICPAS- Kenya Institute of Certified Public Accountants -1954
- FASB-Financial Accounting Standards Board (FASB) -
- AICPA- The American Institute of Certified Public Accountant-1887

CPA Canada- Chartered Professional Accountants of Canada-2013
 UK Financial Reporting Council -2020
 CA ANZ- Chartered Accountants of Australia and New Zealand.- 2014
 It also support the work of the following organizations:
 International Accounting Standards Board
 Accountancy Europe
 CFA institute
 European Financial Reporting Advisory Group

Nature of Accounting Standards

Based on the preceding discussion, we can conclude that accounting standards serve as a guide, dictator, service provider, and harmonizer in the accounting process.

To serve as a guide for accountants: Accounting standards serve as a guide for accountants during the accounting process. They serve as the foundation for the preparation of financial statements. They, for example, provide a method for valuing inventories.

Act as a dictator: In the field of accounting, accounting standards act as a dictator. In some areas, accountants have no choice but to follow practices other than those stated in accounting standards, much like a dictator. For example, a Cash Flow Statement should be prepared in accordance with accounting standards.

Assist in the provision of services: Accounting standards define specific terms, present accounting issues, specify standards, explain numerous disclosures, and provide an implementation date. Accounting standards, as a result, are descriptive in nature and serve as a service provider.

Act as a harmonizer: Accounting standards are not biased and help to ensure consistency in accounting methods.. As a result, whenever there is a conflict on accounting issues, accounting standards serve as a harmonizer, facilitating solutions for accountants.

The Purpose of Accounting Standards

Accounting standards enable accountants to provide data through financial statements in a way that management, the board of directors, investors, and stakeholders can understand. This information should be presented accurately such that key decisions based on it can be made correctly. Accounting standards that are well-designed boost investor confidence in the company.

The objective of Accounting Standard :

It lays down principles and procedure for preparation and presentation of

Consolidated financial statements are presented by a parent (also known as holding enterprise) to provide financial information about the economic activities of its .

Need of Accounting Standards:

Accounting standards are a must to follow reporting and measurement procedures in the capital markets. This is done by establishing a single set of accounting best practices and policies that are investor-oriented, homogeneous and internationally recognized.

Role in the accounting standard in the today's world:

Accounting standards provide accountants with day-to-day guidance to ensure the smooth operation of the business. An accountant's responsibility would be to provide financial information that is relevant, reliable, neutral, and comparable – all of which can be accomplished by adhering to accounting standards. Having the ability to adhere to accounting standards instills trust in the marketplace. The company is perceived as transparent, which benefits the company's financial position.

Comparability

However, because standards differ by country, a situation may arise in which financial information from two businesses is compared but was compiled utilizing different standards.

Harmonisation

As of June 2011, the United States has mandated generally accepted accounting principles, also known as U.S. GAAP, as its accounting standard. The Financial Accounting Standards Board is in charge of it (FASB). The International Accounting Standards Board (IASB) is in charge of the International Financial Reporting Standards (IFRS), which are used in over 120 countries. Both the FASB and the IASB are working to

harmonise US GAAP and IFRS. One of the driving forces behind convergence is the adoption of a single accounting standard by all accountants worldwide.

Mandatory list of accounting standards:

List of rules, statements, guidelines, disclosures forms the accounting standards. It is listed by the over viewing accounting institutions to prepare consistent, uniform financial statements that list the mandatory disclosures in a common format.

- AS1- Accounting disclosure policies
 - AS 2- Inventories Valuation
 - AS 3- Cash Flow Statements
 - AS 4- Balance Sheet Date, events and contingencies thereafter
 - AS 5- Prior Period Items, Net profit & Loss in the period, and Accounting Policy changes
 - AS 6- Depreciation Accounting.
 - AS 7- Accounting of Construction Contracts
 - AS 8- Error corrections and changes in accounting policies
 - AS 9- Revenue Recognition
 - AS10- Plant, Property and Equipment
 - AS 11- Changes in rates of Foreign Exchange Rates
 - AS 12- Government Grants
 - AS 13- Investments Accounting
 - AS 14- Amalgamations Accounting
 - AS 15- Employee Benefits.
 - AS 16- Borrowing Costs
 - AS 17- Financial segments reporting
 - AS 18- Related party transactions disclosures
 - AS 19- Lease transactions disclosures and accounting policies
 - AS 20- Earnings per share
 - AS 21- Consolidated Statements principles
 - AS 22- Taxable Income Accounting
 - AS 23- Investments in Associates Accounting
 - AS 24- Discontinuing Operations
 - AS 25- Interim Financial Reporting
 - AS 26- Intangible Assets Accounting
 - AS 27- Reporting of interest in joint ventures
 - AS 28- Assets Impairment
 - AS 29- Contingent Assets and Liabilities Provision
- Non- Mandatory Accounting standards
- ICAI announced the withdrawal of these non-mandatory accounting standards lists:
- AS 30 – Measurement and Recognition of Financial Instruments
 - AS 31- Presentation of Financial Instruments
 - AS 32- Disclosures required for reporting of Financial Instruments.

Global Accounting Standards

Across the globe, some of the accounting standards followed are discussed below

Indonesia: The accounting standards used are as per the Dewan Standar Akuntansi Keuangan aka DSAK and the Indonesian Board for Financial Accounting Standards falling under the IAI or Ikatan Akuntan Indonesia. Under the law, private and public companies must mandatorily follow the accounting standards notified by the DSAK-IAI.

Kenya: The financial statements in Kenya must mandatorily comply with the International Financial Reporting Standards (IFRS) and the Kenyan Institute of Certified Public Accountants Standard (ICPAK). It also mandates that all audits comply with International Standards on Auditing (ISA).

Conclusion

Accounting standards are written statements containing rules and guidelines of accounting standards which ensure that all financial statements reporting or measurements follow an easily read uniform accounting

procedure or norms. The accounting standards of India comprising accounting standards 1 to 32 are used by auditors, chartered accountants and prepares of taxes like Income Tax, Goods and Services Tax (GST) etc., when they prepare and present financial statements. .Trade on the Go. Anywhere, Anytime.One of the world's largest crypto-asset exchanges is ready for all.

Reference:

1. [https://indian accounting.org/](https://indianaccounting.org/)
2. Garg, Kamal. IFRS Concepts and Applications. Bharath Law House Private Limited
3. Ghosh, T.P. IFRS for Finance Executives. Taxman Allied Services Private Limited
4. Gosain, Sariha and Gosain, Rajeeh. Practical Approach to IND AS Implementation, Illustrations, Summary & Comparisons
5. Finch, Clare. A Student's Guide to International Financial Reporting Standards. Kalpan Publishing.