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THE DEVELOPMENT OF ACCOUNTING IN TURKEY AND ANALYSIS OF THE ACCOUNTING CULTURE IN TERMS OF INTERNATIONAL ACCOUNTING AND FINANCIAL REPORTING STANDARDS (IFRS)

Abstract:

Culture may be defined as 'the collective programming of the mind which distinguishes the members of one human group from another'. Each human group shares its own social norms, consisting of common characteristics, such as a value system which is adopted by the majority of constituents. Moreover accounting is determined by culture and the lack of consensus in accounting practices between countries, because the purpose of accounting is not technical but rather cultural. The culture of a country determines the choice of its accounting techniques and the perception of its various accounting phenomena. For this reason, the accounting culture is to limit the style of financial reporting by determining the principles and rules to be followed in financial reporting and by determining the principles, rules, and valuation measures that the financial reporting based on. Globalization, increase in the international movement of capital, the development of capital markets, changing conditions of competitions, legislative regulations and specialization are the factors affecting accounting culture. Another factor which affects accounting culture is the unfolding experience with the implementation of international accounting and financial reporting systems. International Financial Reporting Standard (IFRS) is formulated for the standardization of accounting regulations all over the world. A growing number of countries have adopted IFRS developed by the International Accounting Standards Board (IASB), and other countries plan to adopt or converge with IFRSs in the near future. IFRS is a set of accounting principles that is generated to support processes of principle based reporting. IFRS is very useful for making the comparability, intelligibility and transparency of the financial statements. Because accounting standards necessitate the development of one unique accounting system across the globe, this necessity leads to changes in the perceptions of accounting and thus a decline in the affect of culture on accounting. When the accounting regulations in Turkey are considered, it can be seen that accounting culture is shaped in parallel with economic and political relations. Accounting culture in Turkey has been discussed within the culture model of the Continental Europe through uniform accounting plan which has to be implemented as from 1994. On the other hand, with IFRS applications, it tends to be closer to the Anglo-American culture model. In the light of these developments, the aim of our study is to discuss the term of accounting culture theoretically; and analyze the affect of International Accounting and Financial Reporting Standards (IFRS) over accounting culture in Turkey.

Keywords:

Development of Accounting in Turkey, Hofstede-Gray Theory, Accounting Culture, Accounting Valuations and IFRS

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