

Accounting Research from the Globalization Perspective

Paul Diaconu, and Nicoleta Coman

II. THE LITERATURE REVIEW

Abstract—This paper explores the idea of globalisation and considers accounting's role in that process in order to develop new spaces for accounting research. That's why in this paper we are looking for questions not necessary for answers. Adopting an 'alternative' view of accounting it's related to the fact that we sees accounting as social and evolutionist process, that pays heed to those voices arguing for greater social and environmental justice, and that draws attention to the role of accounting researchers in the process of globalisation. The paper defines globalisation and expands the globalisation and accounting research agenda introducing in this context the harmonization process in accounting. There are the two main systems which are disputing the first stage of being the benchmark: GAAP and IFRS. Each of them has his pluses and minuses on being the selected one. Due to this fact a convergence of the two, joining the advantages and disadvantages of the two should be the solution for an unique international accounting solution. Is this idea realizable, what steps has been made until now, what should be done in the future. The paper is emphasising the role of the cultural differences in the process of imposing of an unique international accounting system by the global organizations..

Keywords—Investors, capital markets, international accounting.

I. 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. Why appear as very present the globalization in our ages is because become an economical need for our society especially for the companies which goes international or work international. The accounting receive due to this fact an order from the companies which needed to go on other markets for capital to supply an international accounting system which will allowed all the external users to relay on the financial statements presented by this system. This process of globalization in general and the imposing of an international accounting system on the other side are emphasizing some considerations related to the need on going global on one side and to the obvious cultural differences between the countries from other side.

Authors are with Academy of Economics Studies, Faculty of Accounting and Information Systems, Bucharest, Romana No 6 Sector 1, Romania (e-mail: paul.diaconu@timesconsulting.ro; xxnico77@yahoo.com).

The paper has based its conclusions on the researches of [4] which is underling the role of the multinationals in implementation of an international accounting system, and the organisations which imposed the international accounting system to the accounting world [7] 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 [8], [9] 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; [11]; which identified also some big challenges for the accounting research in the next period taking in consideration the global need on harmonization in accounting [12] which emphasize the globalization challenges in the next period [13] which shows the evolutions in the accounting of finish area [14] which presented the impact of the crises on the need for a reliable accounting system [15] which discuss about the new evolution in the accounting taking in consideration the globalisation 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. [26] 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. [16] discusses challenges and opportunities facing international accounting researchers and demonstrates the relevance of markets-based international accounting research to those new to the area. They review recent research in areas like required GAAP for foreign-listed firms and adoption of international standards, accounting classifications, earnings management, the impact of foreign operations on firm valuation, capital market anomalies, and accounting reforms. They also provide suggestions for future research in each area and examples of domestic research issues that can be addressed with international data. The opportunities for conducting international accounting research are many and growing. [18] presents some barriers in the harmonisation of the accounting process from the perspective of the ninety-nineties years times [18]. Presented a comprehensive study regarding the international accounting reviewed are republished in 2002. [20] presented also a valuable book regarding the international accounting phenomena from the perspective of its times. A

similar book has been written by [21]. [22] presented the European evidence regarding the differences in the accounting systems. [24] presented the idea that the accounting standards despite the think that are created by the professional organisations are censured by the governmental organizations. [25] create a comprehensive study regarding the advantages and the threats regarding the harmonization of the accounting system. [27] suggested that the accounting research theories should be examined in countries other than those in which they were developed in order to verify their sustainability.

III. 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.

IV. DEFINING GLOBALIZATION IN THE CONTEXT OF ACCOUNTING RESEARCH

First, we must define what globalization and globalisation 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" [12].

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 [26].

The evolution of accounting systems is determined by requirements of economic efficiency mediated by organizers seeking higher returns from economic resources [26].

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". They are using the accounting to communicate the existence and the evolution of the financial situation and also of the performance for the economical entities. Financial information is a form of a language. And if the language of financial information is to be putted to use, so that investment and credit decisions can more readily be taken, it should not only be intelligible, it should also be comparable.

Due to the fact that many companies follow the globalisation process, so they go global the accounting needed to follow this process and to present financial situations using a unique accounting procedures which can be understood by the entire business community. Due to the fact that this process is following global trends, and the globalisation is first of all a political process the starting point in creation of a unique accounting system needed to pass a difficult process where the main accounting systems will litigate to impose their accounting policies and practices [2]. These new environmental factors of the global economy, the international monetary system, the Multinational Corporation and foreign direct investment create an environment in which business transactions, their conduct, measurement and disclosure, takes new and distinctive form that call for a specific accounting sub discipline or the harmonization of accounting practices. Despite of the difficult process as [1] said "a set of international accounting standards will allowed new horizons of evolution due to the fact that comparative analysis of the rates of returns established based on the balance sheets and profit and loss account between the companies being in competition become relevant". 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 globalisation of the occidental capitalist economy;
2. Future expansion of the harmonised 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). In 2000, the International Organization of Securities Commissioners (IOSCO) recommended to member countries that IASB standards be used in the firms listed accounting. The enforcement of International Financial Reporting Standards (IFRS) by exchange regulators will be crucial to the eventual acceptance of IFRS around the world. Some countries already allow listed companies to use IFRS (e.g., Germany, Hong Kong, and South Africa, also Romania for banking sector, in present. Also Romania have a really intention to apply IAS's in 2001-2005). By 2005, all companies listed on European Union exchanges must adopt IFRS, in March 2002 this decision was taken in the European Parliament. In October 2002, the IASB and the Financial Accounting Standards Board (FASB) jointly issued a memorandum of understanding, which formally stated their commitment to the convergence of IFRS and U.S. GAAP.

By 2005, all listed European Union companies must prepare their consolidated financial statements using fair presentation oriented IFRS. Germany and Japan recently restructured their accounting standard-setting processes to systems broadly similar to those in the United Kingdom and

the United States and to the IASB. Other code law countries may follow suit to more actively engage in the IASB's convergence efforts.

The adoption of IFRS in numerous countries will generate interesting additional flows of accounting information, which will create more research questions and more opportunities for empirical research.

The application of international accounting standards will be different in each country, because it shows the importance of the countries' culture, the taxation, the national accounting system, also the type of the users, which benefit from the accounting information.

So, the strong investor protection laws and strong enforcement mechanisms are necessary conditions for high-quality accounting. Changing accounting standards (e.g., adoption of IFRS) is unlikely to improve accounting information unless there is a corresponding strengthening of laws and enforcement. Standard setters should consider a country's institutional environment before prescribing a comprehensive set of accounting measurement and disclosure rules. Strong investor protection laws and enforcement mechanisms help to prevent an environment in which the use of accruals (as permitted by accounting standards) reduces the reliability and relevance of accounting numbers to investors.

In order to accomplish this target the accounting profession proposed to the business environment to solutions: the American solution GAAP or the European solution (British solution to be read) IAS/IFRS. Foreign subsidiaries of U.S. multinationals use U.S. GAAP. Many foreign companies, attracted to international capital markets, have either adopted U.S. GAAP or reconcile their financial information with SEC requirements. However, IFRS is rapidly gaining acceptance as 70 countries around the world already use it. The European Commission (EC), which is the EU's permanent civil service, announced in June 2002 that all listed companies will be required to prepare consolidated financial statements in accordance with IFRS adopted by the EC from 1 January 2005. This will apply to almost 7000 listed companies in the EU. One way to get a single set of international accounting standards would be by the conjunction of the governments and securities regulators mandating that the only accounting system which is allowed to be used to be either U.S. GAAP or IFRS (but not both) be used. But international politics makes that extremely unlikely.

Another path might be to allow companies to use either U.S. GAAP or IFRS. The marketplace would eventually determine which one prevails. Unfortunately, due to the political influence we have all the reasons to believe that this would only add to confusion and costs.

Also, most capital markets participants have gravitated to the idea of "international convergence" between U.S. GAAP and IFRS as being the best solution. And so it is that at the U.S. Financial Accounting Standards Board (FASB), together with their counterparts at the IASB, have embarked on a systematic program to converge the standards. This is final task, since there are literally hundreds of areas of difference between the standards. Convergence necessitates compromises, but these will be also difficult to achieve. It must be avoided to achieve convergence for its own sake and

develop high quality converged standards that also improve the current state of financial reporting here and around the world. The process must be careful, thorough and open, allowing participants sufficient time to adjust. Convergence will occur slowly but steadily. There will be short-term "pain" for just about everyone. Lets hope, however, that this effort promises significant long-term "gain" in the form of better, less costly and more comparable and consistent financial information. Harmonization is absolutely necessary because national standards of financial statements are virtually useless; financial markets in more regulated countries are threatened with a loss of market share; and multinational corporations must prepare multiple reports for different nations they do business in [18]. There is a need for harmonization for accounting standards in order to help the foreign investor to understand the financial statements of the foreign companies who's shares they might want to buy [10].

V. ADVANTAGES OF HARMONIZATION IN INTERNATIONAL ACCOUNTING

The greatest benefit that would flow from harmonization would be the comparability of international financial information. Such comparability would eliminate the current misunderstandings about the reliability of foreign financial statements and would remove one of the most important impediments to the flow of international investment. Harmonization would save time and money that is currently spent to consolidate divergent financial information when more than one set of reports is required to comply with the different national laws or practice. It will also improve the tendency for accounting standards throughout the world to be raised to the highest possible level and to be consistent with local economic, legal and social conditions [5]. The harmonization would be beneficial to those countries, which do not have adequate codified standards of accounting and auditing, and to international accountancy firms with clients of firms, which have at least one foreign subsidiary. [19] will allowed the comparisons without any other compilations. The benefit of International Accounting firms regarding the harmonization of accounting practices will be the movement of staff across national boundaries will become easier and it will be less expensive to provide training to their staff.

It would also help in raising foreign capital as investors, financial analysts and foreign lenders will be able to understand the financial statements of foreign companies [23] and they would be able to compare the investment opportunities which will help them to make the right investment decision.

As taxes are levied on the total global income of an organization, it would be of great assistance to the national tax authorities around the world if net income was computed on similar accounting principles and practices. International accounting and disclosure standards would make it easier to conduct the competitive and operational analyses needed to run businesses. It will also make it easier for financial executives to manage critical relationships with customers, suppliers and others [20]. The group that would benefit the

most out of the harmonization of accounting standard would be the Multi-national companies as the communication of financial information within the groups would become easier.

With the harmonization of reporting standards it would be easier for multinational companies to fulfill the disclosure requirement for stock exchanges around the world.

VI. OBSTACLES IN HARMONISATION OF THE INTERNATIONAL ACCOUNTING STANDARDS

The most fundamental of obstacles to harmonization are [19]:

1. the size of the present differences between the accounting practices of different countries,
2. the lack of strong professional accountancy bodies in some countries, and
3. the differences in political and economic systems.

If accounting measurement rules were the only difference among countries, then straightforward translations would be sufficient to enable reports to be universally understood and interpreted [17]. However, countries also exhibit substantial economic and cultural differences that preclude simple interpretations, even when the figures are generated using the same accounting principles. Accounting standards in any society are an outgrowth of that society's needs and perspectives. For example, British and U.S. accounting rules reflect the concepts of fairness and substance over form as opposed to the French Commercial Code, which is much more compliance-oriented. Nationalism also generate a threat to harmonization as countries are wary of ceding control of their accounting regulation to outsiders, especially if it is perceived as replacing their own accounting regulations with those of other countries [25]. The degree to which the government is involved in standard-setting also varies from country to country. Whereas professional organizations set the standards in Britain, for example, the government assumes this responsibility in France. In U.S.A an independent organization were mandated by the SEC to manage the accounting standards (FASB). There the standards are basically set by professional organizations, but with the government acting as the ultimate enforcer. In any event, close government scrutiny of accounting standards adds an additional political dimension to any effort to change those standards [24]. Another barrier that the governments of different countries will have to face is the coordination of their accounting policies with policies prevailing in other countries in order to minimize negative influences from abroad and to maximize positive influences from abroad. There are other barriers to harmonization as well. For example, users might have different needs in different nations (e.g., debtor vs. creditor nations; countries that have very active stock markets and those where banks primarily accumulate and invest capital; investor vs. investor countries; etc.). Further, states that the divergence between the needs of large multinationals

and smaller business entities in developing countries might affect the harmonization of accounting standards. In addition, there may be different levels of sophistication and influence among different national accounting professions. Finally, there is the high cost of requiring issuers to change accounting principles, or to keep a "separate set of books" for multinational offerings. The existence of these barriers reinforces the belief of some that active public policy initiatives to set international accounting principles may not be desirable; and that harmonization of accounting principles and financial disclosure has an overstated benefit. It has been asserted that, for instance, if a particular financial market requires too much accounting information or has too many regulatory burdens; firms will migrate to another region. On the other hand, if a financial market provides too little accounting information or regulatory guidance, private firms will find it in their interests to supply more.

VII. CRITICISM OF HARMONISATION OF INTERNATIONAL ACCOUNTING STANDARDS

First criticism is that underdeveloped countries and developing countries see harmonization of international accounting standards as an imposition of standards by economically superior countries. Another criticism is that the fact that accounting is flexible in nature and can adopt to different number of situations but if accounting standards are harmonized it is believed that they won't be flexible enough and the standards set internationally cannot possibly fit for the wide range of national circumstances, legal systems, stages of economic development, and cultural differences. Further more the international committee of standard-setters (IASB) may find it difficult to reach unanimous agreement on some of the accounting standards and they might have to make compromises so that these accounting practices are accepted globally. This implies that these standards will be permissive and inadequate. Harmonization of accounting standard could prove dangerous to the companies as the standards could cut profits and inject volatility into the balance sheets of the companies [21]. Therefore the companies must educate their investors about the effects harmonization will have on their reported profits and liabilities. In support of this states that harmonization of accounting standards will change the complexion and quality of financial information in ways not seen before, therefore it is vital that companies understand the extent of the impact and ensure stakeholder understand it too. Moreover, others have expressed the view that international harmonization may create "standard overload" [5]. This implies that corporation that have to deal with the national, social, political and economic pressure will be more hard pressed to comply with additional complex and costly international requirements. Harmonization of international accounting principles is unlikely to come about because too many different national groups have vested interests in maintaining their own standards and practices which have developed from widely different perspectives.

VIII. FACTORS BASED FROM GLOBALIZATION WHICH AFFECT THE ACCOUNTING RESEARCH

Globalization is a process which will not hold its boundaries at in the occidental capitalist world and some other developed countries (USA, Canada, European Union, Australia, and New Zealand, Japan, the ASEAN members, and another other few countries), is a process with is looking to the global economy, that's why the accountants need to look for answers related to future expansion of the harmonised accounting in emerging economies and in other cultures which is the new challenge of the accounting research (China, Muslim Countries, CIS states, African Countries, and so on) Research, in this real international context presents some special challenges, like [16]:

- **Information availability**, which represents the major challenge. Until recently, financial accounting data for many firms were unavailable for a lot of countries. Many of these detailed data may not be provided for companies in other countries. Either the data providers do not collect the information or firms do not disclose them. The causes of this not-collected information can be demand, which not justify the costs. Failure by data providers to supply reported information can be overcome by the researcher through additional information collection efforts. Experience in providing the data should lead to a more reliable product, and users should have a clearer understanding of how the information are provided. The information collection and presentation for other countries are relatively new and may not be fully understood by researchers.

- An important problem is **the reliability** of the information. So, the accuracy of this accounting information depends on the level of country's development. That's why the reliability of the results is another challenge for international accounting research. Researchers may have the economic resources needed to purchase international information and may also be well trained in econometric and other methods needed to perform statistical tests. Anyway, having the data and being able to provide a series of statistical tests may not lead to productive research. Unless the researchers have an understanding of the unique national characteristics and how they impact the research question, incorrect inferences can be made [13].

- It must be careful in **exporting theories and accepted business practices** to other countries, without considering the relation between national characteristics and the research question being investigated, like: culture, accounting tales, legal system, auditing, tax system, ownership structure, financing sources, political factors, because they differ a lot in many countries. [27] suggest that accounting research theories should, be examined in countries other than those in which they were developed. Such studies can either support or deny the universality of each theory." In this purpose we are questioning the appliance of the IFRS's in the Muslim countries where because of shari'a's law the interest on money loan is prohibited. So being a sin how will adjust the IFRS their concept of value in time of the money in a country which

do not consider moral that money have a price in time through interest?

- But to obtain a sufficient **understanding of the foreign business environment** represent a challenge. [7] survey market-based accounting research in Europe and note that a general limitation of this research is that "most of them have replicated research already conducted in the United States, without questioning the applicability and relevance of the methodology and hypotheses in a different context." Obvious the cultural differences between the communities need special care in the future to avoid false general conclusions extrapolated to the entire world.

- **Relevance of the results**. The importance of the international accounting research is to offer new understanding to the existing body of research. When we discuss of the accounting globalization, we have to analyze the importance of international factors on accounting information. So, we can speak firsts about growth in international equity and bond markets, resulting in the expansion of international investment by investors and globalization of capital markets. Investors who want to diversify their portfolios to international markets must understand foreign financial statement. They are familiar with their accounting measurement and reporting rules and are also familiar with understanding how the local business environment interacts with financial accounting information to indicate firm value.

- **Different perception** of the financial information. There are many issues that can arise when performing analyses of foreign companies, because some financial statement analysis techniques may not be appropriate in other countries. For sample, a high debt-to-asset ratio indicates higher risk for U.S. companies, but can mean lower risk for Japanese companies [15]. Even with these difficulties investors seem more willing than ever to venture into foreign markets. International accounting research can provide insights into understanding how current financial statements relate to future performance and overall firm value. In addition, the evidence is clear that capital markets are more globalise than ever. Events such as the Asian and Russian financial crises and September 11, 2001 show that national economies have become increasingly tied to one another. Factors affecting firm performance and value in one country may have an impact in other countries. The world no longer operates in single-country or regionally segmented markets. International factors directly impact national investments.

- Another important factor in globalization is the **increasing number of listed firms**: the growing investment opportunities in foreign-listed companies indicate that investors can benefit from understanding foreign financial statements.

Influence of Multinational Companies also increases the importance of understanding international factors. There are many companies that have foreign economies, so international factors have a material impact on the future cash flows and risk of the firm. It is no longer enough to consider only the impact of domestic factors on the value of the firm. In such case, the firms have to valuation the impact of foreign operation of the firms' value, also their impact over the firms'

earnings. These companies control much of the world economy, and they can have a significant impact on developing nations. For example, multinational companies from Europe, from United States, and elsewhere, have dramatically transformed many of the economies in East Asia because of foreign direct investment. Foreign direct investment represents approximately 30 percent of the world's total capital flows. One reason for the growth in foreign direct investment is its reliability. Compared to other forms of investing like portfolio investment or short-term lending, this investment seems to be the most stable one, which was demonstrated in the Latin American crises of the early 1980s, the Mexican crisis of 1994, and the Asian crisis of 1997. During these times, direct investment inflows remained reasonably steady, while portfolio and other forms of investment dried up or turned negative on net balance [14].

IX. 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. Between the unsolved problems of globalization is the heterogeneous culture of the different civilizations, which have great impact in the economical environment of the different countries. Being accepted that the accounting is the language of the business, the penetration of the international accounting standards IFRS, or of the US GAAP in the occidental economies goes well until now due to the fact that the fundamentals of the cultures were similar, or the countries which adopted the international standards have the same cultural background the occidental one and the same economical society: capitalist free market ones. The problem will appear when other countries will enter in the field of globalization and their culture is completely different then the occidental one or the economical organization is not a capitalist free market one. In that moment there are two solutions: either the country is adopting the occidental culture and is changing the economical organization with the capitalist free market either the culture is remaining the same but the occidental ethics is adopted in stead of the local one together with a changing in the economy to a capitalist free market organization. This is very important in countries like Muslim ones where the religion is imposing specific behaviors in the economy and in the social relationships. That's why a common ethical attitude behind religion requesting, based on the occidental ethics will insure that the globalization process will allowed those countries to integrate their self in the global economy. The well functioning of the global economy will be realized only with a common ethical background in the society and using same standardized rules by the main fields of the economy. In this process the accounting has its place and our target of the accountants are to insure that we are committed to produce a reliable and feasible set of standards for the general use in the global economy [3]. Harmonization of accounting standards has been worked on for 26 years by IASC now know as the IASB, it has representatives from 70

countries and the research shows that a large number of companies are complying with International Accounting Standards (IAS) issued by the IASB [22]. The European Union Commission has also declared that all the EU listed companies will use IAS for consolidating their accounts from 2005, but it still has a long way to go. There are a number of barriers and hurdles discussed earlier in the paper that the IASB needs to overcome in order to bring about the harmonization of international accounting standards [6]. In order to ensure the uniform application of accounting standards across cultural and political boundaries IASB needs to ensure that there are strong audit practices in order to bring about the integrity of the standards. Much has been achieved already in converging the standards. Modifications have been made in accounting for business combinations. There has been progress in changing standards for tabulating "share-based payments," despite attempts by some parties in the U.S. to delay or overturn accounting for employee stock options. Overall, the IASB has amended many of its standards, and, to a lesser degree, in FASB they have modified some of them. They currently are working together in other major areas, including revenue recognition and reporting on financial performance. USA is also heavily involved in developing international accounting standards with IASB. Most of the countries which trade with USA prepare their accounts according to US GAAP this in turn makes US GAAP accepted not only in USA but in other countries as well. As USA being the biggest and the strongest economy in the world and its ability to control a large part of the capital market poses a great challenge for the IASB because the companies in USA using IAS issued by the IASB need reconciliation with the US GAAP. This implies that IAS cannot be adopted without the approval of FASB. Furthermore IASB will have difficulties in refusing the proposals made by USA because of its heavy involvement. This will hinder the harmonization of account standards. One can argue that countries, which are economically superior to other countries, will have their way out in setting the international accounting standards. However there are a number of benefits as well which will come with the harmonization of international accounting standards. It will bring uniformity in the preparation of accounts and will make the accounts of companies more transparent and comparable which in turn will help the investors to make the right investment decision. As a final conclusion the harmonization and the convergence which is the method choused by the harmonization to fulfill its goals it will be realized slowly but steady. This will occur supplementary costs and efforts for everybody. That's why; in the following period the Romanian accounting profession will be obliged to stay together with the international organization IASB and to adjust the Romanian legislation in order to upgrade the Romanian system with the last knowledge's in the accounting field.

Despite of the fact that FASB-s standards look to be the most advanced one's and the IASB need profound reevaluation, due to the European synergic process to apply for IASB's standards, we need to choose the long way to an unique international accounting system and set of standards.

Any way we, the Romanian accounting profession are used with the permanent changes in the accounting, change being the most suitable adjective for the Romanian accountant in the last fifteen years.

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 globalisation 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.

REFERENCES

- [1] Anderson, A. (1993) 'The Globalization GAAP', *Management Accounting*, August: 52-54.
- [2] Belkaoui, A.R., (1994), *International and Multinational Accounting*, London, Dryden Press.
- [3] Berton, Lee (2000), "The Evolution of Research on International Accounting Harmonization", *Journal of Accounting Literature*.
- [4] Choi, F. D. S., and G. G. Mueller: *An Introduction to Multinational Accounting*, Englewood Cliffs, 1978.
- [5] Choi, Frederich, D.S. Frost, Carol A. and Meek, Gary K, (1999) "*International Accounting*", Prentice Hall, Upper Saddle River, NY.
- [6] Dunn, Philip, (2002) "International Accounting Standards", *Journal of Accounting Literature*.
- [7] Dumontier, P., and B. Raffournier: *Accounting and capital markets: A survey of the European evidence*, The European Accounting Review, 2002.
- [8] Feleaga Niculae, *Controverse Contabile*, Editura Economica, 1997.
- [9] Feleaga Niculae, *Dincolo de frontierele vagabondajului contabil*, Editura Economica, 1998.
- [10] Iqbal, Melcher and Elmallah 1997, "International accounting: A global perspective", South-Western College Pub.
- [11] Jeffery Everett: *Globalization and Its New Spaces for (Alternative) Accounting Research*, accounting Forum, December 2003.
- [12] Klein N.: *Fences and Windows: Dispatches from the Front Line of the Globalization Debate*, 2002.
- [13] Kallunki, J.: *Stuck returns and earnings announcements in Finland*, The European Accounting Review, 1996.
- [14] Lipsey, R.: *Foreign Direct Investment in Three Financial Crises*. NBER Working Paper No. 8084. Cambridge, 2001.
- [15] Mueller, G. G., H. Gernon, and G. K. Meek: *Accounting: An International Perspective*, Chicago, 1997.
- [16] Meek Gary K., Thomas Wayne B.: *A review of markets-bases international accounting research*, Journal of International Accounting Research, January 2004.
- [17] Mednick, Robert (1991), "Barriers to International Accounting Harmonization" *Journal of Accounting Literature*.
- [18] Nobes, Christopher and Parker, Robert. (1991) *Comparative International Accounting*. Third Edition. New York: Prentice Hall.
- [19] Nobes, Christopher and Parker, Robert. (2002) "*Comparative International Accounting*" (7th Edition) New York: Prentice Hall.
- [20] O'Malley (1993), "*Comparative International Accounting. A Survey*" New York: Prentice Hall.
- [21] Parker, R H (2002), "*Comparative international Accounting*" New York: Prentice Hall.
- [22] Roberts, Alan, Weetman H, Gordon, H (2002), "Comparative International Accounting : Europe including the European Union" *Abacus*.
- [23] Samuels, John M., and A. G. Piper. (1985). "*International Accounting: A Survey*." New York:St. Martin's Press.
- [24] Salin, Victoria (2001), "National Treatment and Tax Harmonization in North America", *American Journal of Accounting*.
- [25] Saudagaran, Shahrokh M (2001) "*International Accounting: A User Perspective*" Thompson Learning.
- [26] Vollmer H: *Critical Perspectives on Accounting, Bookkeeping, Accounting, Calculative Practice: The Sociological Suspense of Calculation*, 2003.
- [27] Wallace, R. S. O., and H. Gernon: *Frameworks for international comparative financial accounting*, Journal of Accounting Literature, 1991.