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Value Creation, Distribution, and Integrated Financial Reporting

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ABSTRACT

This paper presents a theoretical rationale and framework for expanding or supplementing the current versions of financial reporting in various economies under the label of Integrated Financial Reporting (IFR) for business and non-business organizations. IFR, modeled on the lines of national income accounts (NIA), is distinguished from financial reporting in two key respects: (1) expanding its focus to include resource flows to and from shareholders as well as other participants, and (2) shifting the focus from gross resource flows to net (economic) surplus accruing to each participant or class of participants. The value of the firm to each participant would be the capitalized value of the net resource flows to each participant, and the value of the firm as a whole will be the sum of its value of all participants. Such an integrated system of reporting will furnish better data for corporate, governance, regulatory, and macro-economic decision making.

Key words : Factor income distribution, Extensive value, Surplus.
JEL Codes : *D33, L21, M21, M41*

1. INTRODUCTION

The development of national income accounting (NIA) was one of the most consequential contributions of economics in the twentieth century. It provided a quantitative basis for making and evaluating a vast variety of economic decisions; however, NIA, like other systems of socio-economic measurement, is far from perfect. Fortunately, its value derives from its systematic provision of admittedly imperfect measures of magnitudes which had heretofore remained unknown. Less than a century later, it is hard to imagine how we—governments, businesses, and even individuals—lived and worked without the information from NIA that we now take for granted.

The NIA framework that transformed our thinking and measurement of the wealth of an economy can also be applied to individual organizations in business, government, and society at large. For example, national income

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Internal Financial Controls in The Companies Act, 2013 : An Appraisal

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ABSTRACT

The paper deals with main components of Section 134(5)(e) of the Companies Act, 2013, that relate to Internal Financial Controls (IFC), evaluates the link between risk assessment and IFC, and external auditing and IFC. It provides an in-depth analyses on the IFC under the Companies Act, 2013. The authors are of the views that, overall, the installation of a reliable IFC system will be good for a company and will also be good for its investors. Nevertheless, it is emphasized that the IFC system cannot be considered as a solution to all company ills and problems arising out of incompetency and mismanagement, and deliberate attempts to circumvent the system will weaken its effectiveness and usefulness.

Key words : Internal Financial Controls, Companies Act 2013, Sarbanes Oxley Act 2002, Director's Responsibility Statement, Corporate Governance, Financial Reports, Audit Report, Market Value.

I. INTRODUCTION

The corporate bankruptcies in the last decade of twentieth century and financial crisis in the first decade of twenty-first century highlighted the importance of corporate governance and internal control systems. Most of the corporate bankruptcies and financial crises were caused by lack of an internal monitoring mechanism to control managerial behaviour that was more focused on maximizing their personal benefits rather than enhancing firm value. The lack of adequate internal control mechanism especially led to managerial excesses, which created a crisis situation.

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Corporate Governance Compliance, Governance Structures, and Firm Performance

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ABSTRACT

The paper deals with the issue whether the adoption of CG practices is associated with the firm ownership and capital structure. The authors have developed a relative disclosure CG Index using twenty parameters emanating from published annual reports. The beneficial influence of CG compliance was found independent of firm ownership structure. The extent of debt in the capital structure of the firm was found to influence CG. PSUs were a significant force in the emerging CG regime. Results indicate that greater CG compliance is significantly associated with firm's market capitalisation. Firm operating performance (measured by ROA) has a positive association with CG and there also exists an association between ROA, ownership structure variables and debt equity ratio.

Key words : Agency theory; corporate governance; firm performance.
JEL Codes : G30, G32

1. INTRODUCTION

Corporate governance (CG) deals with laws, procedures, practices and implicit rules that determine a company's ability to take managerial decisions vis-a-vis its claimants (Confederation of Indian Industries, 1989). Regulation, and compliance with it is an external CG mechanism. Such mechanisms help to alleviate agency problems between shareholders and managers (i.e., vertical agency problem) and among shareholders (i.e., horizontal agency problem). Managers tend to act in their own interest if they are left to their own devices. Thus, shareholders tend to rely on regulations to ensure themselves of an adequate return on their investment. Further, strong investor rights help to protect the interest of the minority shareholders in case of firms with concentrated ownership. Investors tend to prefer those firms that follow CG regulations because it signals better

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Impact of Skill Incongruity on Employability of Accounting Graduates - An Assessment of Accounting Education System in India and Australia

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ABSTRACT

Accounting graduates are in high demand across the world after the financial crisis of 2007-'08. The irony is that most of them are either unfit for the job due to lack of appropriate skill set or are employed in odd jobs, that is, other than accounting due to several reasons. Past researchers have found that skill shortage/gap is a more prominent problem among the accounting graduates than job-educational mismatch. This study analyses skill incongruity among accounting graduates that leave them unemployed and determines the impact of course studied on employability along with an assessment of the accounting education system of India and Australia.

Key words : Enrollment, Profession, Technical Expertise, Employability, Higher education.

1. INTRODUCTION

The graduates are the products of higher educational institutions. They are a part of the work force which contributes to the success of every organization leading towards a common goal (Dotong, 2014). However, a greater portion of the graduates are not considered for employment due to lack of skill sets required by the employers, and mismatch of job and education and various other economic factors. Past researchers have found that skill shortage/gap is a more prominent problem among the accounting graduates than job-educational mismatch. This study analyses skill incongruity among accounting graduates that leave them unemployed and determines the impact of course studied on employability along with an assessment of the accounting education system of India and Australia.

In short, there is a mismatch between the graduates produced and the skills required. Specifically, some Financial and Management Accounting graduates experience job mismatch. A greater portion of the graduates are not considered due to lack of skill sets required by the employers, scarcity of jobs, and mismatch of job and education and various other economic factors.

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Perception of Tax Payers Towards GST* : A Fiscal and Social Psychology Model Approach

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ABSTRACT

With the changing advent of Taxation Regime and to make the taxation system more transparent, Goods and Services Tax (GST) has been passed by the Parliament of India. The implementation of the same is just a matter of time. The present study is an attempt to examine the desirability of its implementation. Among others, the study determines the factors which help in understanding the perception of tax authorities towards the implementation of GST. The Fiscal and Social Psychological Theories have been taken as a base to understand the behaviour of individual tax payers.

Key words : Fiscal and social psychology models, GST, tax payers.

I. INTRODUCTION

India has gone through a major breakthrough in Public Finance domain in 2016 by introducing Goods and Services Tax early in 2006 in the Budget Speech delivered by the then Finance minister P Chidambaram (who had mentioned about a national level GST). But we could not witness the arrival of GST. As we all know that this idea was first conceived by the former Prime Minister Mr Atal Bihari Vajpayee and was put on agenda by Dr Manmohan Singh's administration but finally levied by Modi

* In India, GST is going to be implemented with effect from 1st July, 2017 based on consensus of the members of GST Council. The process had been continuing since long including amendment of the Constitution to facilitate its implementation. The present study does not therefore deal with details relating to GST. It simply concentrates on application of Fiscal and Social Psychological Theories to understand the behaviour of individual tax payers for a decision making in this context.

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INDIAN ACCOUNTING REVIEW

Statement of Policy, Aims & Scope, Ethics, Requirements & Guidelines

Policy, Aims & Scope

Indian Accounting Review (IAR) is a bi-annual research journal sponsored by the Indian Accounting Association Research Foundation. It is published in June and December each year since 1997. It is a refereed international journal. It follows "Blind Peer Review Process."

The scope of the journal encompasses all areas of accounting including auditing, taxation, management accounting and information systems. IAR seeks to publish high quality, research-oriented and original articles. It encourages both fundamental and applied research works.

Publication Ethics

IAR publishes original articles on specified areas. Authors must certify that copyright has not been violated. Also, it has not been published or submitted for publication elsewhere. Plagiarism is checked by smallseotools.com

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Two copies of manuscripts along with a C.D. should be submitted for consideration for publication in IAR. Manuscripts from abroad should be accompanied by a **US $100 non-refundable submission fee payable** by cheque in favour of 'IAA Research Foundation'. For authors from SAARC countries, non-refundable **submission fee is Rs. 600** but for each published article, Rs. 1,200 will be awarded.

All manuscripts should be typed double-spaced. A separate list of references should be used, not made a part of the footnotes. Footnotes, also double-spaced, should be listed at the end of the paper. Manuscripts should not normally exceed 20 pages including figures, tables, footnotes and references, printed on 8.5"x11" paper.

Each manuscript should contain non-mathematical abstract of not more than 100 words. There should be a title page containing the name of the article, authors' names, affiliations and corresponding author's address. The names of the authors should not appear on the first page of the manuscript to facilitate blind review. Manuscripts must be prepared strictly following the guidelines.

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The following guidelines should be followed.

Heading : Bold, centred and 14 point. Each word should start with a capital letter.

Author Name : Centred 12 point, with affiliation below the name in 10 point.

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Headings : Bold, uper case only centred in 12 points.

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Text : In 12 point and there should be one-inch margins on all four sides.

Tables and Figures : Table in capital and centred in 10 point, and the table description in bold, upper lower 12 point.

References : Samples :

(I) **Book** : Choi, F.D.S., Frost, C.A. & Meek, G.K. (1999). *International Accounting,* Upper Saddle River, N.J.: Prentice Hall, 24-31.

(ii) **Journal** : Rivera, J.M. (1991). Prediction performance of earnings forecasts : the case of U.S. multinationals. *Journal of International Business,* 22, 265-288.

Submission address :

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