UNIVERSITY OF CAPE COAST

IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING

STANDARDS FOR SMALL AND MEDIUM ENTERPRISES IN GHANA:

PROSPECTS AND CHALLENGES

ESTHER AWONTEMI ATOMBIL

2023

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STANDARDS FOR SMALL AND MEDIUM ENTERPRISES IN GHANA:

PROSPECTS AND CHALLENGES

BY

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Dissertation submitted to the Department of Accounting of the School of

Business, College of Humanities and Legal Studies, University of Cape Coast

in, in partial fulfillment of the requirements for the award of Master of

Business Administration degree in Accounting.

OCTOBER 2023

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is as a result of my own original research and that no part of this dissertation has been presented for another degree in this university or elsewhere.

Candidate's Signature:............................   Date:......................................

Name: Esther Awontemi Atombil

Supervisor's Declaration

We hereby declare that preparation and presentation of the dissertation was supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast

Supervisor's Signature:.............................   Date:.....................................

Name: Prof. E. Marfo-Yiadom

ABSTRACT

The study assessed the implementation of International Financial Reporting Standards for Small and Medium Enterprises in Ghana. Precisely, the study ascertained factors influencing the implementation of IFRS for SMEs; identified the extent of implementation of IFRS for SMEs and examined the challenges associated with the implementation of IFRS for SMEs in Ghana. Primary data was sourced through questionnaire administered to 230 firms licensed from the Institute of Chartered Accountants, Ghana. Statistical Package for the Social Science (SPSS) version 21 was used to process the study data. The study employed explanatory research design. The main findings of the study were that IFRS for SMEs implementations enable SMEs to obtain financial assistance from financial institutions, improve their financial reporting and enhance SMEs financial reporting transparency. Also, the study found that audit firms often implement IFRS for SMEs on their financial statement presentation, statement of financial position, income statement, among others. The study shows that the implementation of IFRS for SMEs in Ghana is characterized with high compliance cost, lack of skilled personnel, lack of clarity of expressions among others. Hence, it was recommended that the management of audit firms in Ghana should start raising awareness among SMEs partners, managers and finance teams about the benefits of IFRS implementation. Again, the IFRS for SMEs implementation in Ghana should be tailored to specific needs of each business. Finally, the management of audit firms should offer training workshops to build a strong foundation for successful IFRS for SMEs implementation.

KEY WORDS

Audit Firms

IFRS for SMEs

SMEs

ACKNOWLEDGEMENTS

I want to thank my supervisor, Prof. E. Marfo-Yiadom for his excellent direction, counsel, support and generosity which he directed at this work.

Secondly, I would want to thank my father, Mr. Simon Atombil and my mother, Veronica Ayamdoo for their supports and encouragement throughout this educational journey.

Finally, my special thanks go to the partners of SMEs in Ghana for their time and support in filling the research instrument.

v
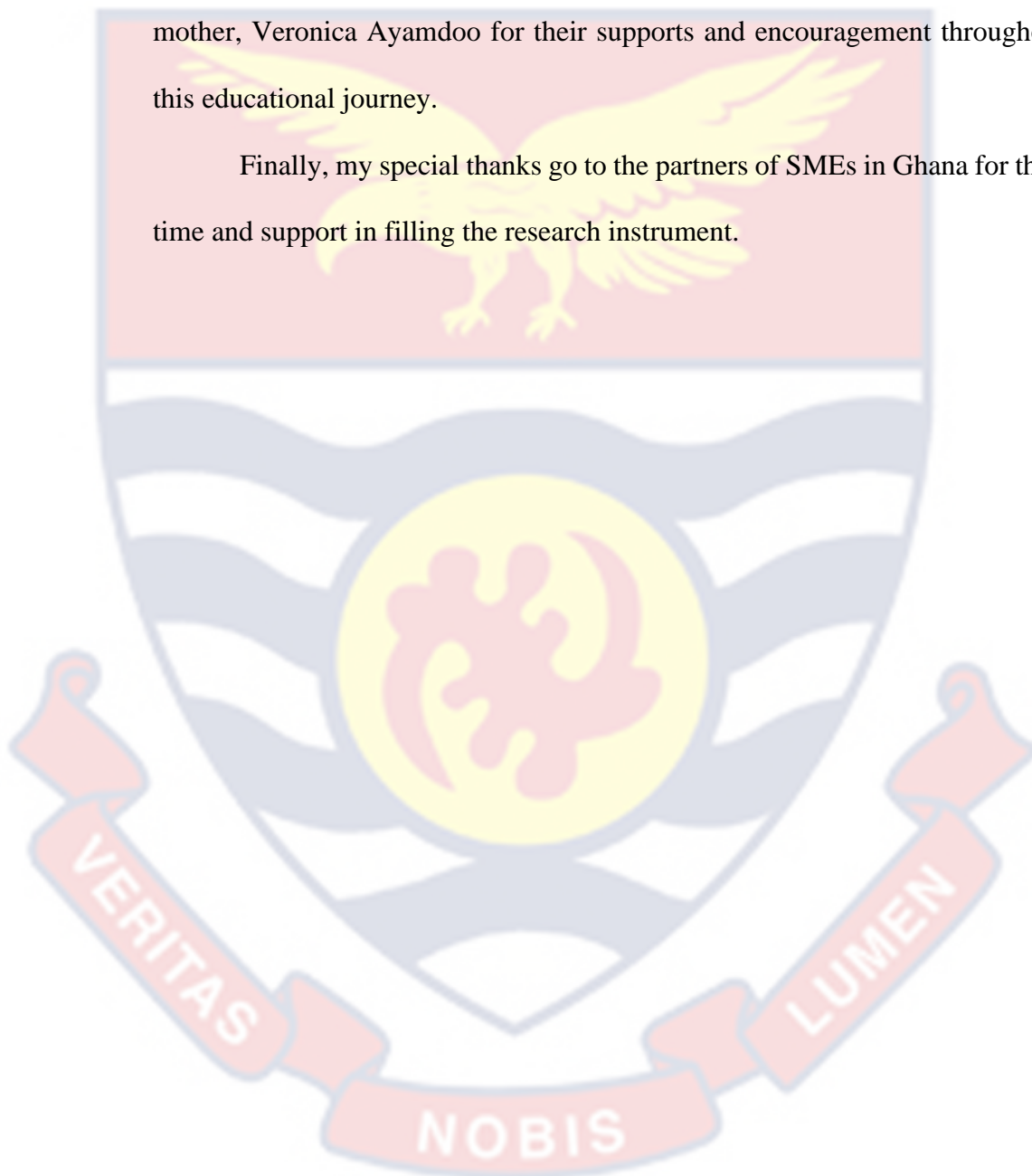
DEDICATION

To my lovely parents, Simon Atombil and Veronica Ayamdoo

TABLE OF CONTENTS

LIST OF TABLES

x

LIST OF FIGURE

xi

LIST OF ACRONYM AND ABBREVIATIONS

GNAS	Ghana National Accounting Standards
IASB	International Accounting Standards Board
ICAG	Institute of Chartered Accountants, Ghana
IFRS	International Financial Reporting Standards
NBSSI	National Board for Small Scale Industries
SMEs	Small and Medium Enterprises
UKAS	United Kingdom Accounting Standards

xii
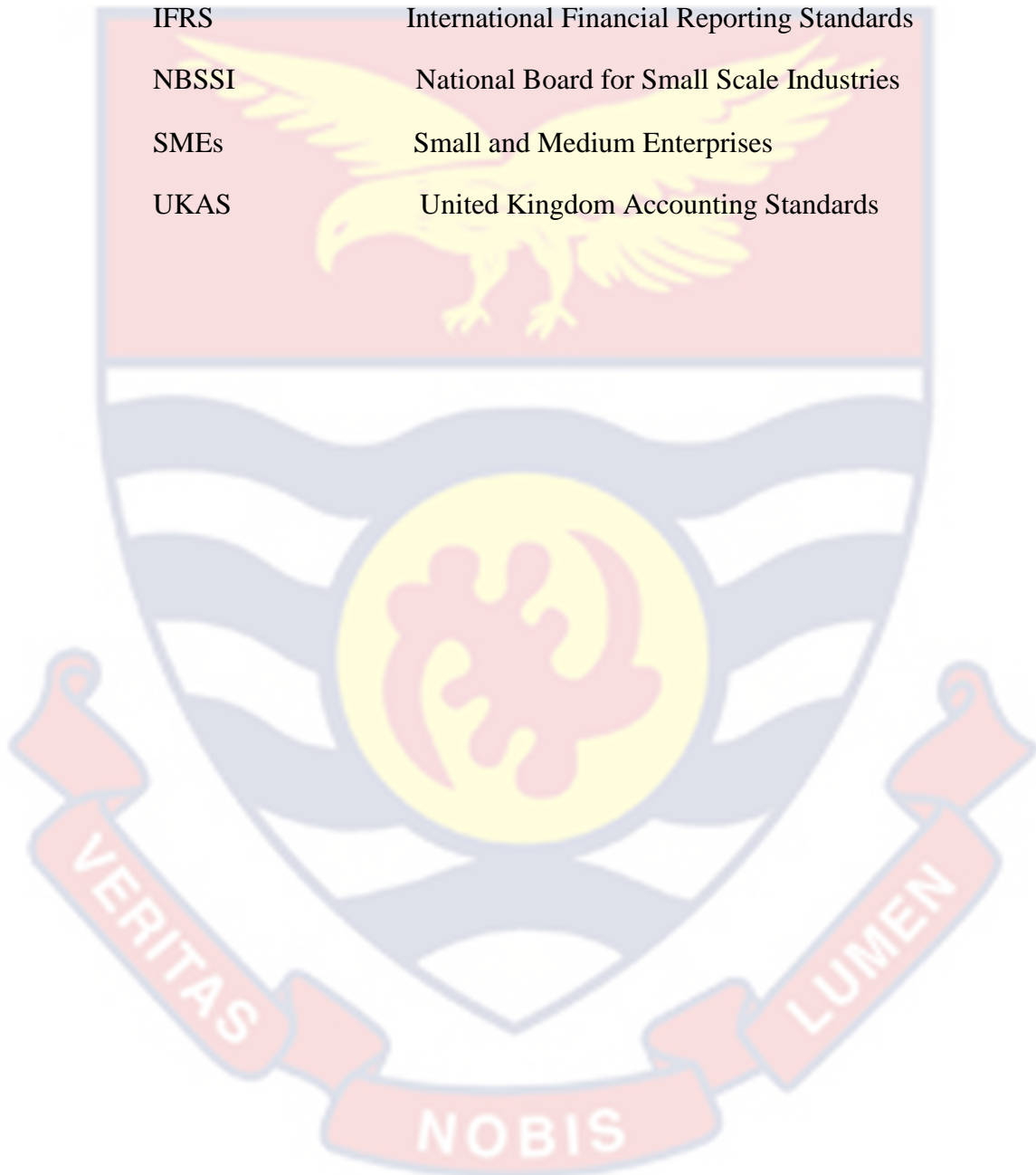
CHAPTER ONE

INTRODUCTION

In today's globalized economy, the harmonization of accounting standards has become increasingly important to facilitate cross-border business activities, enhance transparency and improve the comparability of financial information. The International Financial Reporting Standards (IFRS) have emerged as a widely accepted framework for financial reporting among large enterprises. However, implementing these standards to the unique needs and capabilities of Small and Medium Enterprises (SMEs) has proven to be a complex endeavor. This study explores the implementation of the IFRS for SMEs in the context of Ghana, shedding light on the opportunities and challenges presented by this transition.

Background to the Study

Small and Medium Enterprises (SMEs) have consistently demonstrated their vital role in fostering the growth of economies (Yoshino & Taghizadeh-Hesary, 2015; Yoshino et al., 2016). SMEs according to Cobbinah, Cheng, Milly and Sarpong (2020), are the icons of economic growth and development for developed and developing nations (Cobbinah, Cheng, Milly & Sarpong, 2020; Olango, 2014). They are often recognised as a prolific job creator, innovation stimulators, poverty alleviators and income redistributors (Abor & Quartey, 2010; Yeboah, 2015; Cai, Sampene, Khan, Oteng-Agyeman, Tu & Robert, 2022).

SMEs hold a crucial position within Ghana's economy assuming a substantial role in fostering employment, economic expansion and aiding in poverty alleviation (Abraham & Adeiza, 2020; Alon et al., 2022). The landscape

1

of SMEs in Ghana is characterized by diversity, spanning sectors such as agriculture, manufacturing, services, trade and technology. These sectors have made notable contributions to national gross domestic product figures, primarily through their manufacturing operations, trade activities and participation in import-export dynamics (Yeboah, 2015; Dhliwayo, 2017).

The interconnectedness of economic trade and investment across nations has been highlighted by Nasir, Al Mamun, and Breen (2017) as a result of the SME sector's contribution. In Ghana, SMEs serve as the cornerstone of the economy, constituting approximately 85% of businesses, predominantly within the private sector and yielding approximately 70% of the country's GDP (ITC-AGI report, 2014). Further, SMEs often serve as drivers of innovation and the integration of novel technologies. Many SMEs in Ghana are involved in sectors such as information technology, software development and other emerging industries (Hellman et al., 2022).

Their contributions to innovation help modernize various sectors of the economy. Recognizing the pivotal significance of SMEs and their obligation to provide transparent information to stakeholders, the International Accounting Standards Board (IASB) introduced a specialized framework known as the International Financial Reporting Standard (IFRS) for SMEs with the purpose of refining their financial reporting practices (International Accounting Standards Board, 2016). The objective behind this IFRS was to streamline and standardize the reporting approach and presentation of financial operations of SMEs, thereby simplifying the process of compliance in contrast to the comprehensive IFRS guidelines mandated for adherence by member countries of the International Federation of Accountants (IFAC).

According to institutional theory, the survival of firms including SMEs in their business environment hinges on aligning their activities with established financial reporting guidelines, rules, processes and belief systems prevalent in that environment (Scott, 2005; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Dacin (1997), Deephouse (1996) and Suchman (1995) emphasize that adhering to these authoritative reporting guidelines and processes regarding business operations are crucial for earning legitimacy for firms, including SMEs.

Relying on the institutional theory, some scholars (Alon, Haaland & Røsok, 2022; Hellman, Nilsson, Tylaite & Vural, 2022; Ma, Awan, Ren, Alharthi, Haider & Kouser, 2022) claimed that IFRS implementation are put in place to enhance SMEs financial reporting in line with the international standards. Empirically, Durguti and Arifi (2021), Lukason and Camacho-Miñano (2021) and Nurunnabi (2021) found that IFRS implementation are more likely to bring about a return on investment to SMEs due to their positive influence on their financial reporting. Further, the implementation of IFRS is an important conduit for enhancing the transparency and accountability of SMEs.

Other streams of studies (Sadaka, 2022; Sassi & Damak-Ayadi, 2022) are of the opinion that IFRS implementation has the tendency to help SMEs attain their long-term financial growth and stability in the competitive business environment and advance stakeholders' confidence. Given the numerous importance attached to SMEs implementation of IFRS, some auditors, accountants and managers have voiced fears regarding the suitability and feasibility of implementing the comprehensive IFRS underscoring the rationale behind the IASB devising a less intricate standard tailored to cater to the requirements and capabilities of smaller enterprises (IASB, 2016).

3

The formulation of this streamlined framework for SMEs commenced in 2001 and closed in its official publication in October 2009 (IASB, 2009), subsequently undergoing revisions in 2015 (IASB, 2016). The IASB has since been dedicated to refining the accessibility and applicability of this standard for diverse nations. With its mandate to oversee the accounting profession in Ghana, the Institute of Chartered Accountants, Ghana (ICAG) laid out a roadmap for the implementation of this standard (Aboagye-Otchere & Agbeibor, 2012).

The introduction of this standard came as a response to the concerns raised by numerous local SMEs about the inflexibility of the comprehensive IFRS and their inability to conform to its demands, even when compared to the Ghana National Accounting Standards (GNAS), which were seemingly less intricate (Bunea-Bontas, Petre & Petroianu, 2011; Olango, 2014; Abraham & Adeiza, 2020). The IASB developed the IFRS for SMEs as a response to these grievances, anticipating widespread adoption. Interestingly, the Ghanaian context presents a situation that diverges from many initial expectations. Hence, study seeks to determine the implementation of IFRS for SMEs in Ghana.

Statement of the Problem

It has been established that the use of the IFRS provide SMEs with the accounting infrastructure that foster transparent accounting activities (Larson & Kenny, 1996), enable SMEs satisfy its unique accounting requirements and promotes economic development (Ball, 2006). According to Shima and Yang (2012), the implementation of IFRS is associated with enhancing market liquidity, competitiveness and efficiency through cross-border comparability. This implementation is also believed to bolster reporting transparency, diminish information costs, and address information asymmetry (Nulla, 2014).

4

However, the empirical and theoretical evidence specific to Ghana contradicts these benefits indicating that a considerable number of SMEs face challenges in effectively implementing IFRS, resulting in instances of non-compliance (Arhin, Perprem & Hulede, 2017; Mawutor, Williams & Oduwaa, 2019). Among the SMEs that embarked on the implementation, most only managed to do so partially (Arhin, Perprem & Hulede, 2017; Mawutor, Williams & Oduwaa, 2019). According to Mawutor et al. (2019), many of these SMEs contend that they require time to grasp the details and demands of IFRS, which hampers their full adoption.

In contrast, certain previous studies (Cai, Rahman & Courtenay, 2014; Abakah, 2017; Rudzani & Charles, 2016; Damak-Ayadi, Sassi & Bahri, 2020) suggested that SMEs in specific regions of the country have partially adhered to IFRS requirements. This on-going study aims to reconcile the conflicting findings within the existing literature. According to Mawutor, Williams and Oduwaa (2019), while there are various studies (Bunea-Bontas, Petre & Petroianu, 2011; Olango, 2014; Abraham & Adeiza, 2020; Alon et al., 2022; Hellman et al., 2022; Ma et al., 2022; Sukmawati & Pujiningsih, 2022) in the context of IFRS implementation, the significance of this process becomes notably amplified in emerging nations such as Ghana.

Based on this, IFRS implementation has become an area of concern for scholars (Mbir, Agyemang, Tackie & Abeka, 2020). Essentially, the private sectors including the SMEs are under pressure to integrate IFRS implementation into their business aims to improve their financial reporting (Mawutor et al. 2019). This basically means that IFRS implementation is not a new phenomenon in Ghana, but, it is still in its introductory phase compared to the advanced nations. The researcher however, debate that this could be due to the

5

difficulties associated with the effective IFRS implementation that stems from weak leadership in the form of mismanagement and lack of leadership commitment (Abor & Quartey, 2010; Yeboah, 2015).

This inability to recognize the precise IFRS initiatives that could meet SMEs needs has created the need for broad research on IFRS implementation and to extend the discussion on the implementation of IFRS for SMEs. This is because majority of the studies on IFRS implementation endeavors in Ghana generally focused on financial performance of Ghanaian financial institutions specifically, banks (eg. Mnif & Znazen, 2020; Mbir, Agyemang, Tackie & Abeka, 2020), neglecting the effects IFRS implementation might have on SMEs in Ghana.

Purpose of the Study

The main aim of the study is to determine the implementation of International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs) in Ghana.

Research Objectives

Specifically, the study sought to:

1. Ascertain the factors influencing the implementation of IFRS for SMEs in Ghana

2. Identify the extent of   implementation of IFRS for SMEs in Ghana.

3. Examine the challenges associated with the implementation of IFRS for SMEs in Ghana.

6

Research Questions

1. What are the factors influencing the implementation of IFRS for SMEs in Ghana?

2. What is the extent of implementation of IFRS for SMEs in Ghana?

3. What are the challenges associated with the implementation of IFRS for SMEs in Ghana?

Significance of the Study

The study seeks to determine the implementation of IFRS for SMEs in Ghana. As a result, the study findings would provide insights for the auditors, accountant, SMEs owners, partners and managers on the factors that influence the implementation of IFRS for SMEs. Secondly, the study result would enable the auditors, accountant, SMEs owners and managers to determine the frequency and extent of implementation of IFRS for SMEs in Ghana. Thirdly, the finding of this study would provide auditors, accountant, SMEs owners or partners and managers with the foresight on new trends and bringing attention to emerging challenges associated with the implementation of IFRS for SMEs and how to solve those challenges. Finally, the study results would contribute to the understanding of existing body of knowledge on the factors influencing the implementation of IFRS for SMEs that can be referred to in further studies.

Delimitation of the Study

The accessible respondents for this study were the partners of SMEs in Ghana. Also, the study focused specifically on the application of IFRS for SMEs within the Ghanaian business environment and regulatory framework, excluding broader discussions on IFRS Implementation in other sectors or countries.

7

Limitation of the Study

Firstly, the data collected for this study were obtained within a specific time frame, which might not fully capture potential changes or trends that could affect the phenomenon over a longer period. Future research could employ longitudinal methods to better assess the stability and evolution of the relationships identified. Secondly, the findings of this study are situated within the context of SMEs, and as such, may not be directly applicable to other contexts with different socio-cultural, economic or environmental factors. Replicating the study in different contexts could provide a more comprehensive understanding of the phenomenon. Future research endeavors that address these limitations and explore the research questions from different angles will contribute to a more holistic and nuanced understanding of the topic.

Organization of the Study

The study is organized into five chapters. Chapter One dealt with the background of the study, statement of the problem, objectives, research questions, relevance of the study and organization of the study. Chapter Two also focused on the reviews of literature related to the study. Chapter Three discussed the study methodologies used for the study. Chapter Four dealt with the presentation of results and discussions. Chapter Five summarizes the findings, and present the conclusions and recommendations.

8

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter review literature on the implementation of International Financial Reporting Standards (IFRS) for Small and Medium Enterprises (SMEs). The chapter presents on the definition of variables or concepts, theory of IFRS for SMEs implementation. The chapter also is made up of empirical review on the factors influencing the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges associated with the implementation of IFRS for SMEs in Ghana and the development of a conceptual framework.

Theoretical Review

The institutional and planned behaviour theories underpinned the study. Below are the reviews of the two theories.

Institutional theory

Institutional theory is a social structure that details how organizational structure, systems, management processes, rules, norms and routines become established authoritative guidelines for social behavior (Meyer & Rowan, 1977). According to institutional theory, the survival of firms including SMEs in their business environment hinges on aligning their activities with established financial reporting guidelines, rules, processes and belief systems prevalent in that environment (Scott, 2005; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Dacin (1997) and Suchman (1995) also stressed that complying with the structural and procedural established authoritative guidelines, rules, processes regarding financial reporting of SMEs will ultimately earn their legitimacy.

9

The institutional theory is of the argument that organizations such as SMEs operate volatile environment with varying institutional changes and requirements which, also therefore, expect them to operate within the limits of the financial industry's standard guidelines, rules and processes (Scott, 1995; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Martinsons (1993) and Porter (1990) opined that some of these institutional changes and requirements such as IFRS exert fundamental influences on SMEs performance. Hence it is crucial for SMEs to adjust to any new institutional amendments and requirements in order to excel both financially and non-financially.

Implication of the institutional theory to the study

According to institutional theory, SMEs must adhere to prevailing financial reporting practices within their business environment if they aim to thrive in the market. This theory asserts that SMEs should align themselves with the structural and procedural regulations set forth by the IASB to enhance their operational performance and establish their credibility. This alignment is crucial as adherence to IASB reporting guidelines can facilitate SMEs in achieving sustained financial growth and stability within the competitive business landscape, consequently strengthening stakeholders' confidence.

Planned behaviour theory

According to the planned behaviour theory, SMEs positive attitudes toward implementing of IFRS will finally enhance their financial reporting (Ajzen, 1991). The theory maintain that once a SMEs implement of IFRS, it is more likely that such SMEs will present financial statement, statement of financial position, statement of comprehensive income, statement employee benefits, income tax, prepare statement of cash flow, related party disclosures, specialized activities, inventories and consolidated and separate financial

10

statements for SMEs to attain their long-term financial growth and stability in the competitive business environment and other financial instrument issues for SMEs on regular basis (Jafari 1994; Hail & Leuz 2009; Sadaka, 2022).

The planned behaviour theory builds on the assumptions that a well planned and executed organizational actions can lead a targeted organizational result, especially, during the early stages of running the firm (Sassi & Damak-Ayadi, 2022). Mawutor, Williams and Oduwaa (2019) have advanced that a planned and executed organizational initiative including implementing of IFRS is vital for improving firm performance of SMEs.

Implication of the planned behaviour theory to the study

The planned behaviour theory stipulates that SMEs positive attitudes toward implementing of IFRS will finally enhance their financial reporting. The theory also maintains that once SMEs implement of IFRS, it is more likely that such SMEs will present statement employee benefits, income tax, prepare statement of cash flow among others. Hence, it is important for firms to make decision with regards to implementing of IFRS in order to improve their financial reporting.

Conceptual Review

This section addresses the variables in the study. The variables include Small and Medium Enterprises (SMEs) and International Financial Reporting Standards (IFRS).

International financial reporting standards (IFRS) for SMEs

Mawutor, Williams and Oduwaa (2019) view IFRS concept as one of the most researched area in accounting. Sadaka (2022) postulate that the reason for the vast interest in IFRS is obvious as firms inability to adopt and use the standard position firms at a disadvantage to the rest of the competition. Sassi

11

and Damak-Ayadi (2022) pointed out that companies such as SMEs are operating in an extremely volatile environment and have now realized that implementation the IFRS is essential. Also, Mensah (2020) posited that IFRS implementation is one of the crucial means SMEs can employ to create differentiation and gain competitive advantage.

Consequently, the International Accounting Standards Board (IASB) formulated a distinctive IFRS for SMEs designed to enhance the representation of their economic undertakings (International Accounting Standards Board, 2016). As per the International Accounting Standard Board (2016), the framework of IFRS encompasses a set of accounting regulations tailored for businesses aiming to exhibit transparency, consistency and comparability with other enterprises. Additionally, Alon, Haaland and Røsok (2022) define IFRS as a compilation of accounting standards, regulations and principles established by the International Accounting Standards Board (IASB) for the presentation of corporate financial statements.

This IFRS was developed with the intention of streamlining and standardizing the manner in which SMEs report and present their financial activities. This approach also aims to simplify the process by alleviating the intricacies involved in the complete implementation of the comprehensive IFRS, as mandated for compliance by member countries of the International Federation of Accountants (IFAC). Some scholars (Alon, Haaland & Røsok, 2022; Hellman, Nilsson, Tylaite & Vural, 2022) posit that IFRS implementation is put in place to provide a common financial reporting language for SMEs operating internationally. IFRS is principle-based which provides broad guidelines and principles that companies should follow allowing for flexibility in application (Ma, Awan, Ren, Alharthi, Haider & Kouser, 2022).

12

This approach encourages SMEs to exercise professional judgment in interpreting and applying the standards (Ma et al., 2022). Also, IFRS emphasises the merit of presenting financial statements that provide a true and fair view of a company's financial position, performance and cash flows (Durguti & Arifi, 2021). This principle guides the preparation and presentation of financial information. Similarly, IFRS encourages the use of professional judgment by management and accountants when applying the standards to specific transactions or events which allows for flexibility and adaptability in different situations (Lukason & Camacho-Miñano, 2021). Nurunnabi (2021) found that IFRS implementations are more likely to bring about a return on investment to SMEs due to their positive influence on their financial reporting.

The implementation of IFRS is an important conduit for enhancing the transparency, accountability and efficiency of SMEs (Jafari, 1994; Hail & Leuz, 2009). Other streams of studies (Sadaka, 2022; Sassi & Damak-Ayadi, 2022) are of the opinion that IFRS implementation has the tendency to help SMEs attain their long-term financial growth and stability in the competitive business environment and advance stakeholders' confidence. It has been established that the use of the IFRS provide SMEs with the accounting infrastructure that foster transparent accounting activities (Larson & Kenny, 1996), enable SMEs satisfy its unique accounting requirements and promotes economic development (Ball, 2006).

Similarly, Shima and Yang (2012) opined that the implementation of IFRS improve market liquidity, competitiveness, efficiency by facilitating cross-border comparisons (Nulla, 2014), increase reporting transparency, lower information costs as well as information inaccuracy. According to Essa (2018), the motive behind auditors, accountants and other organizations implementation

13

of IFRs is the potential benefits they gain if they are considered as being transparent and consistent. Also, some researchers (Sava et al., 2013; Lubbe et al. (2014) have posited that one of the reasons why SMEs implement IFRs is to earn enhanced financial reporting. Abakah (2017) hold the view that the extent to which a company implements IFRs can directly influence stakeholders' assessment of its compliance to financial reporting requirements.

International financial reporting standards (IFRS) implementation in Ghana

The Institute of Chartered Accountants (Ghana) was established by the Chartered Accountants Act 1963 (Act, 170) and is responsible for regulating the accounting profession in Ghana. Under its purview, firms are required to adhere to the Ghana National Accounting Standards (GNAS) set by the Institute. The GNAS draws from both the International Accounting Standards (IAS) and the United Kingdom Accounting Standards (UKAS). However, by 2004, a World Bank study on accounting and auditing practices in Ghana revealed that the GNAS was outdated and diverged from the IAS and UKAS (Abedana & Gayomey, 2016; Appiah, Gyimah & Adom, 2020). Furthermore, issues were identified with the legal and regulatory framework governing financial reporting.

The inefficiencies in the administration of the Institute of Chartered Accountants led to a scenario where many publicly listed companies felt compelled to fully adhere to the existing GNAS (Agyei-Mensah, 2013; Arhin et al., 2017). In light of the identified challenges and the perceived advantages associated with IFRS, the decision was made to adopt IFRS. The overarching belief was that IFRS implementation would enhance global investor confidence in Ghanaian firms' financial reports and promote uniformity and comparability

14

of financial statements across jurisdictions (Mensah, 2020; Amankwa, Mawutor & Yiadom, 2020).

Consequently, Institute of Chartered Accountants (Ghana) formally embraced the International Financial Reporting Standards (IFRS) as the national accounting standards for Ghana. In 2010, the ICAG Council officially endorsed the use IFRS for SMEs. Listed firms were mandated by the regulations of the Ghana Stock Exchange to submit financial statements prepared under the IFRS guidelines (IFRS Foundation, 2021). Despite firms' efforts to implement the requirements of IFRS, the full impact of the standard has yet to be realized as complexity remains a challenge.

Conversely, other studies (Boateng, Arhin & Afful, 2014; Musah, Anokye & Gakpetor, 2018; Mawutor, Williams & Oduwaa, 2019) have suggested that IFRS implementation could potentially lead to the manipulation of accounting standards, encouraging creative accounting practices and potentially misleading financial reports. This indicates that the primary objectives of transitioning from GNAS to IFRS have yet to be fully achieved (Mensah, 2020; Oppong & Bruce-Amartey, 2022). Consequently, it is imperative for SMEs to carefully weigh the advantages and challenges associated with implementing IFRS for SMEs while also considering any regulatory prerequisites within their jurisdiction, before deciding to adopt these standards for their financial reporting.

Small and medium enterprises (SMEs)

Despite the evolution of the SMEs concept within business literature over time, researchers have held diverse opinions regarding its definition (Muller, Gagliardi, Caliandro, Bohn & Klitou, 2014). Attempts to establish a definitive understanding of SMEs have yielded inconclusive results. Muller et

15

al. (2014) have contended that SMEs proprietors often shape their business characteristics to align with their interactions with key stakeholders. However, a particularly distinct delineation of the SMEs concept emerges from the perspective of the National Board for Small Scale Industries (NBSSI). This organization characterises SMEs by considering both their fixed assets and the number of employees. In essence, SMEs are enterprises falling within a specified size range, as defined by various parameters such as employee count, annual turnover, or total assets.

The definitions can vary from country to country and organization to organization. Generally, SMEs are characterised by their relatively smaller scale compared to larger corporations. The characteristics of SMEs can vary based on factors such as industry, location and individual business strategies (Neneh, 2012). Aketch, Basheka and Bagire (2017) averred that though scholars and policymakers are concerned of SMEs performances in general, their sensitivity to SMEs is higher comparative to larger businesses.

This is because of poor performance and high failure rates associated with SMEs. The concern by the scholars for SMEs is justifiable due to the numerous embracement of SMEs in literature as the icons of economic growth and development for both developed and developing nations. SMEs play a role in Ghana's export and trade activities. They contribute to both domestic and international trade, showcasing locally-made products and helping to diversify the country's export base (Abor & Quartey, 2010; Yeboah, 2015).

Nasir, Al Mamun and Breen (2017), posited that SMEs are vital for rural development in Ghana because they operate in various rural areas, promoting economic activities and reducing urban-rural migration by providing employment opportunities in local communities. Besides, SMEs contribute to

16

poverty reduction by providing jobs and income-generating activities to people who might otherwise struggle to find employment (Yoshino & Taghizadeh-Hesary, 2015). This helps improve the standard of living and overall well-being of many Ghanaians.

According to Nasir et al. (2017), the commercial landscape of Asian economies is dominated by SMEs and it is the sector that strengthens those economies. For instance, in Pakistan, the SME sector represents approximately 93% of all establishments in the country and the sector employs almost 80% of the non-agricultural labour force (Malik, Khan, Bhutto & Ghouri, 2011). The case is not isolated from Malaysia, where it was observed that SMEs account about 97% of businesses and account for 40% to 60% of the country's GDP.

Almost 70 percent of employment in Malaysia is also attributable to the SMEs sector (Nasir, Al Mamun & Breen, 2017). The disclosures from the Asian countries on SMEs' contributions reiterate the major role performed by SMEs in various countries, as touted in the literature. In Africa, the SME sector is also embraced as making an important contribution in the economy of various nations (Okpara, 2011). For example, in South Africa, it is observed that almost 91% of the formal business establishments are SMEs and account for about 52% to 57% of the country's GDP. It was estimated that almost 61% of the country's employment is linked to the sector's contribution (Abor & Quartey, 2010).

In the work of Yeboah (2015), it was revealed that the SME sector in the Sub-Saharan Africa has seen an extensive increase in number. The report of Global Entrepreneurship Monitor (GEM) in 2010 indicated that Ghana has the highest number of small businesses in Africa. The absence of surprise in this matter is rooted in the fact that SMEs constitute the very foundation of Ghana's economy, encompassing roughly 85% of enterprises, predominantly within the

17

private sector and accounting for approximately 70% of the country's GDP (ITC-AGI report, 2014). Moreover, SMEs play a pivotal role in empowering marginalized segments, including women and youth, by fostering avenues for entrepreneurship and self-employment (Suprapto, Wahab & Wibowo, 2009), thereby contributing to gender equality and youth involvement within the economy.

Recognising the significance of SMEs, Ghana's government has undertaken a series of policies and initiatives aimed at nurturing their growth. These encompass provisions for financial access, business development services, technical aid, and capacity-building programs (Yoshino et al., 2016). Despite SMEs' substantial contributions to both Ghana's GDP and overall economic landscape, the institutional theory contends that the viability of firms like SMEs in their business environment is contingent upon their alignment with the established financial reporting guidelines, regulations, and processes prevalent within that specific context (Scott, 2005; DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

Dacin (1997), Deephouse (1996) and Suchman (1995) reiterated that adhering to the structural and procedural established authoritative reporting guidelines, rules, processes regarding business operations will ultimately earn the legitimacy of firms including SMEs. Relying on the institutional theory, some scholars (Ma et al., 2022; Alon et al. 2022; Hellman et al., 2022) argued that IFRS implementation are put in place to enhance SMEs financial reporting in line with the international standards.

Empirical Review

This section presented on the empirical review on the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges associated with the implementation of IFRS for SMEs in Ghana.

Factors influencing the implementation of IFRS for SMEs

There are both theoretical and empirical evidence on the factors influencing IFRS implementation among SMEs, auditors and accountants in accounting related literature (Alia & Branson, 2011; Cardona, 2014; Almujamed, Tahat, Omran & Dunne, 2017). For instance, Muniandy and Ali (2012) are of the opinion that the legal system of a particular country could influence SMEs IFRS implementation. The scholars further submitted that a country that has effective legal framework in place influence SMEs IFRS implementation. An idea that resonates with Tanaka (2013) that a common law in relation to IFRS that is developed and implemented could influence SMEs IFRS implementation.

According to Doupnik and Perera (2012), countries with business act with laid down rules for SMEs financial reporting have the propensity to influence their implementation of IFRS. While Naghshbandi, Ombati and Khosravi (2016) opined that cultural values of a particular country influence the practice of accounting and financial reporting, Tapang, Bessong and Effiong (2012) opined that implementation of IFRS for SMEs is statistically influenced by cultural dimensions. Qawqzeh, Endut, and Rashid (2020) opined that implementation of IFRS for SMEs is influenced by the ownership of business including sole proprietorships, partnerships, unlimited liability, strategic alliances among others.

19

However, some scholars (see Muniandy & Ali, 2012; Almujamed, Tahat, Omran & Dunne, 2017) have argued that most sole proprietorships engage in only record keeping and preparing financial statements to the owners especially, when there is no legally established IFRS for reporting financial performance. Another factor influencing IFRS implementation among SMEs is the education level of SMEs accountants, managers and auditors (Judge & Pinsker, 2010; Kossentini & Othman, 2014). Choi and Meek (2008), Archambault and Archambault (2009) and Shima and Yang (2012) presented that education level and expertise of SMEs accountants, auditors, managers and owners is one of the factors influencing IFRS and implementation. The aforementioned studies are of the view that SMEs with educated accountants, auditors, managers and owners on the usefulness of IFRS could implement it.

DiMaggio and Powell (1983) established empirically that pressure from regulatory bodies including International Accounting Standard Board (IASB), International Monetary Fund (IMF) and World Bank could push SMEs and other companies to implement the IFRS. However, Kaya and Koch (2015) argued that pressure from regulatory bodies alone cannot influence SMEs' decision to implement the IFIRS. Moreover, SMEs decision to implement the IFRS may be driven by the imitation from other companies using the IFRS.

Thus, the pressure from other multinational organizations use of the IFRS could influence SMEs, accountants, auditors to implement the standard to guarantee their legitimacy (Judge et al., 2010; Albu et al., 2011; Sellami & Gafsi, 2018). In contrast, Damak-Ayadi et al. (2020) in their study argued that pressure from other multinational corporation use of the IFRS may not always influence SMEs to implement the IFRS. Some studies (Cooke & Wallace, 1990; Nobes et al., 2008) have additionally expressed the view that external factors,

20

including the effectiveness of law enforcement, cultural dynamics, economic circumstances, political frameworks and taxation systems play a role in shaping the decisions of SMEs, accountants and auditors to adopt the IFRS.

Within the Ghanaian context, Aboagye-Otchere and Agbeibor (2012) have postulated that elements such as the scale of SMEs, their legal structure, and ownership arrangements exert an influence on the implementation of IFRS within these enterprises. According to Abakah (2017), SMEs types, their profitability and audit type may enhance their interest in implementing the IFRS. It has been advanced that SMEs, accountants and auditors decision to implement the IFRS is based on the standard being able to improve SMEs opportunities to obtain financial assistance from financial institutions, improve the effectiveness of SMEs financial reporting, increase supplier confidence and improves the quality of financial decisions made by SMEs (Mawutor, Williams & Oduwaa, 2019; Sadaka, 2022; Sassi & Damak-Ayadi, 2022).

The extent of the implementation of IFRS for SMEs

There is empirical evidence that IFRS implementation is often done for the presenting of financial reporting for SMEs (Durguti & Arifi2021; Lukason & Camacho-Miñano, 2021; Nurunnabi, 2021). According to Jafari (1994) and Hail and Leuz (2009), the implementation of IFRS is a vital channel for that enable accountants, auditors and SMEs to present statement employee benefits, income tax and other financial instrument issues for SMEs on regular basis. Other streams of studies (Sadaka, 2022; Sassi & Damak-Ayadi, 2022) are of the opinion that IFRS implementation are often done to prepare statement of cash flow, related party disclosures, specialized activities, inventories and consolidated and separate financial statements for SMEs to attain their long-term financial growth and stability in the competitive business environment.

21

IFRS implementations are usually done for Small and Medium-sized Entities for the preparation of account reconciliation, payment schedules, payment reminders, reporting and analytics (Aboagye-Otchere & Agbeibor, 2012; Boateng, Arhin & Afful, 2014; Modibbo et al., 2015). Overall, IFRS implementations are done regularly by accountants, auditors and SMEs to present statement employee benefits, income tax, statement of cash flow, inventories, related party disclosures, specialized activities and consolidated and separate financial statements and other financial instrument for SMEs issues on regular basis (Arhin et al., 2017; Abakah, 2017; Dhliwayo, 2017; Musah, Anokye & Gakpetor, 2018).

The challenges associated with IFRS implementation for SMEs

While IFRS implementation offers several advantages for SMEs, it is accompanied by a multitude of challenges (Meirelles, 2012; Brown et al., 2014; Riva & Salotti, 2015; De Moura & Gupta, 2019). These challenges as highlighted by various researchers encompass different aspects. Tesfu (2012) highlighted that IFRS implementation entails high costs, complexities within the standard, lack of clear regulatory guidelines for implementation and the intricacies of fair value accounting. Phan and Mascitelli (2014) empirically demonstrated that the expenses of educating financial and managerial personnel about the IFRS coupled with inadequate guidance and timely translations contribute to these challenges.

Rudzani and Charles (2016) underscored the scarcity of personnel equipped with the requisite skills, technical knowledge and modern technologies necessary for successful IFRS implementation within SMEs. Arhin et al. (2017) argued that in Kumasi, IFRS implementation faces inadequacies in necessary skills, insufficient support from regulators and

22

professional bodies and high implementation costs. Dhliwayo's study (2017) confirmed the consensus among prior studies that the cost and complexity of IFRS implementation pose difficulties for SMEs, accountants and auditors alike.

Additionally, Mbawuni (2018) postulated that a notable challenge arises from the continuous alterations to IFRS, leading to ongoing changes in existing accounting practices of SMEs to adhere to IFRS standards. Similarly, Le Thia, Thib, and Anhc (2019) asserted that IFRS implementation for SMEs involves high costs and involves intricate information disclosure. Abraham and Adeiza (2020) raised the argument that Continuous Professional Development Programs (CPDP) hinders the effective implementation of IFRS. The absence of sanctions for SMEs that refuse to adopt IFRS standards further exacerbate implementation issues (Brown et al., 2014; De Moura & Gupta, 2019).

Furthermore, empirical findings attest that comprehending IFRS for SMEs is not straightforward (Alemi & Pasricha, 2016; Bahadır, Demir & Öncel, 2016), largely due to unclear expressions (Mbawuni, 2018) and challenging vocabulary (Owolabi & Iyoha, 2012; Miao, 2017) used within the framework. Moreover, the excessive volume, intricate nature and complexity of disclosure requirements in IFRS for SMEs pose significant hurdles (Odia & Ogiedu, 2013; Zakari, 2014), and the information needed to apply IFRS for. Additionally, the need for substantial professional judgment in applying IFRS for SMEs and the disproportionate costs of compliance compared to the benefits also present considerable challenges (Riva & Salotti, 2015).

Conceptual Framework

The framework connects the factors influencing IFRS for SMEs implementation.

23
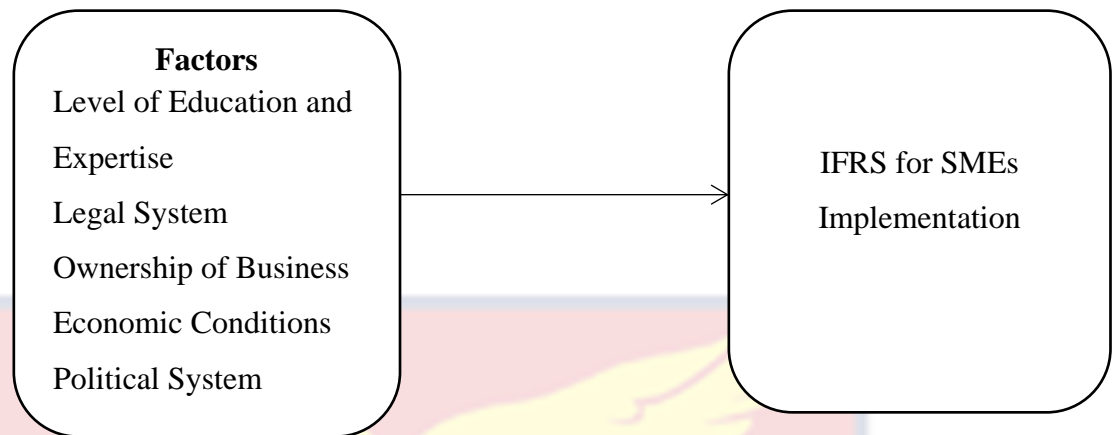
Figure 1: Conceptual framework

Source: Author's Own Construct (2023).

Figure 1 presents on the conceptual framework explaining the factors influencing IFRS for SMEs implementation. This framework means that implementation of IFRS for SMEs could be influenced by the education level of SMEs accountants, managers, owners, the legal system regulating business actions, the nature of business, economic conditions, political systems among others.

Chapter Summary

The definitions of concepts and the theory of IFRS implementation for SMEs have been addressed in this chapter. It reviews works of other scholars related to the subject matter. The chapter also is made up of empirical review on the factors influencing the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges associated with the implementation of IFRS for SMEs in Ghana and the development of a conceptual framework.

24

CHAPTER THREE

RESEARCH METHODS

Introduction

The study seeks to determine the implementation of IFRS for SMEs in Ghana. Hence, the research methods including research design, research approach, sampling techniques, sample size, analytic method, research instruments and validity and reliability used for the study are presented in this chapter.

Research Approach

Research approach involves the quantitative, qualitative and mixed research methods (Neuman, 2014). It has been advanced by Bloomfield and Fisher (2019) and Lewis (2015) that using a quantitative research approach help researchers to critically evaluate the extent to which one study variable influence the other variables. Bengtsson (2016) also argued that employing qualitative research approach on the other hand, helps researchers to explain some aspects of social events under study. The mixed method is a mixture of the quantitative and qualitative research approach (Bengtsson, 2016; Sekaran & Bougie, 2016; Tenny, Brannan & Sharts-Hopko, 2017; Arifin, 2018).

The specific aims of the study are to ascertain the implementation of IFRS for SMEs; determine the extent of implementation of IFRS for SMEs and examine the challenges associated with the implementation of IFRS for SMEs in Ghana. Relying on study aims, a quantitative research approach was employed for the study. This is simply because the quantitative approach is appropriate for studies that intend to use numerical data for analysis (Lewis, 2015; Creswell 2014). Moreover, quantitative research enables researchers to

25

achieve broader knowledge and understanding of a study under consideration (Bloomfield & Fisher, 2019).

Research Design

Research design is a strategy that explains how researchers should collect, measure, analyze research data and present results (Sekaran & Bougie, 2016; Sileyew, 2019). The scholars further opined that research designs are grouped into exploratory, explanatory or cause-and-effect and descriptive designs. To ascertain the implementation of IFRS for SMEs; to determine the extent of implementation of IFRS for SMEs and examine the challenges associated with the implementation of IFRS for SMEs in Ghana, explanatory research design was used in the study.

This stem from the fact that, explanatory research design is considered as an appropriate design for determining and reporting study results on study variables under study (Sekaran & Bougie, 2016; Decoteau, 2017; Heppner, Wampold, Owen & Wang, 2015). The explanatory research design is also suitable mechanism for carrying out broad examination into study aims using statistical test of significance (Sobh & Perry, 2006; Sekaran & Bougie, 2016; Saunders & Lewis, 2016; Cantwell, 2020).

Study Area

The research was carried out within the borders of Ghana. Officially referred to as the Republic of Ghana, it is situated in West Africa. Ghana shares its boundaries with Côte d'Ivoire (Ivory Coast) on the western side, Burkina Faso to the north, Togo to the east and is bordered by the Atlantic Ocean to the south. With a populace exceeding 31 million, Ghana ranks among the most densely inhabited nations in Africa.

26

Population

Graneheim and Lundman (2004) described the term population as the collection of cases that meet a designed set of criteria. Ngechu (2004) is of the opinion that a study population includes a set of elements, events and people under research. The available licensed audit firm in Ghana is 334. At the result, 230 auditors and accountants were selected from the 334 licensed audit firms in Ghana.

Sampling Procedures

Sekaran and Bougie (2016) stressed that a sample represent a portion of the population selected for a study. It has been established that the use of sample surveys helps researchers to conduct studies in a most efficient manner than using the entire population (Saunders et al., 2016). Ali et al. (2015) posit that a sample size should be large enough to make study findings generable. Other stream of studies (Faber & Fonseca, 2014; Boddy, 2016; Taherdoost, 2017) reiterated that sample size for research-based investigations should be large for reasonable conclusions and generalizations. Through convenience sampling technique, 230 auditors and accountants were selected from the 334 licensed Audit Firms in Ghana to fill the research instrument. Convenience sampling technique was used in studies because of the difficulty of getting a reliable sampling frame (Sekaran & Bougie, 2010). Similarly, convenience sampling is quick and easy to implement. Researchers can gather data rapidly, making it suitable for studies with limited time or resources.

Data Collection Instrument

In this study, a questionnaire was used in the collection of data from respondents on their views regarding the implementation of IFRS for SMEs. It has been established that the use of questionnaire saves respondents time and it

27

can be completed without the presences of the researcher (Neuman & Kreuger, 2003; Chang et al., 2020). Additionally, respondents feel using questionnaire enable them to answer without fear (Grassini & Laumann, 2020; Northstone et al., 2020).

For the purpose of this study, the questionnaire was made up of four (4) sections. Section A of the questionnaire fetched data on respondent's characteristics such as gender, educational qualification, membership of professional body, type of membership, number of years working for an audit firm, categories of audit firm, financial statement prepared for SMEs based on IFRS, type of Industry SMEs belong and type of businesses account prepared for SMEs based on IFRS for SMEs. Section B sourced data on the factors influencing the implementation of IFRS for SMEs. Section C gathered data on the extent of the implementation of IFRS for SMEs. Section D collected data on the challenges linked with the implementation of IFRS for SMEs.

Measurement of variables

All variables in the study were measured on a continuous scale of 1-5. Accordingly, the implementation of IFRS for SMEs was measured scale by following Dewi and Dewi (2019) indicators (See Appendix A). This is because the psychometric properties of Dewi and Dewi's (2019), instrument have been demonstrated by Abraham and Adeiza (2020), with a cumulative Cronbach alpha of 0.89. Following Cai, Rahman and Courtenay (2014), the extent of the implementation of IFRS for SMEs was measured with a 35-item scale. Equally, the challenge associated with the implementation of IFRS for SMEs was measured by using Perera and Chand (2015) 6 item measurement scale.

Reliability and validity of the instrument

Reliability is explained as having the same results even if the measures were taken multiple times (Myer et al., 2007). The instruments considered were derived from tested and standardized instruments to minimize random measurement error. The Cronbach's Alpha coefficient for the study variables was generated to validate the internal consistency of the study variables. It has been advanced that reliable scales are those with Cronbach's Alpha coefficient of 0.70 or more (Henseler, Ringle & Sarstedt, 2015). The validity of an instrument according to Naik, Jandavath and Byram (2016) determines how a research instrument measures the particular variables or constructs it supposed to measure. Validity is the accuracy with which a phenomenon is described (Bagozzi & Yi, 2012). Common sources of invalidity are selection, information and confounding bias (Myer et al., 2007). To reduce information bias, the researcher adapted survey instruments with study design with high validity levels.

Data Collection Procedure

The researcher seeks approval from Institute of Chartered Accountants, Ghana. Thereafter, respondents were given the full assurance that the study is for academic purposes and that their responses would be treated with utmost confidentiality. This is to enable respondents to respond to the research instrument. The questionnaire was administered by the researcher in the first week of June, 2023 and returned in the last week of June, 2023.

Ethical Considerations

Rubin and Babie (2016) hypothesized that individuals or participants engaged in research are to be made aware of issues relating to ethical issues.

29

This is to enable them to answer the questionnaire. As a result, the researcher explained to the respondents that their participation is not voluntary. Besides, to ensure their privacy, respondents were asked not to provide their name, phone number, email address or any detail that could be used to identify them.

Data Processing and Analysis

In evaluating the three research questions structured, SPSS version 21 was used to determine the various means and standard deviations for all the items in the study. Also, the demographic analysis was determined using frequency and percentages. It has been argued that the utilization of SPSS keeps researchers from bias estimate of items loadings (Götz, Liehr-Gobbers & Krafft, 2010). Hair et al. (2016) advanced that SPSS helps to test and analyse the causal relationship by using statistical data.

Chapter Summary

This chapter discussed the approaches to be used for this research. The chapter also provides on the research design, research approach, population of the study, sampling techniques, sample size, analytic method and research tools, validity and reliability and ethical consideration.

30

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents on the test results of the data collected for the study. The chapter also presents results on the factors influencing the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges linked with the implementation of IFRS for SMEs in Ghana. The findings are presented with discussions.

Respondents Demographic Characteristics

This section presented on the demographic characteristics such as gender, highest qualification, membership of professional body, type of membership, number of years working for an audit firm, categories of audit firm, financial statement prepared for SMEs based on IFRS, type of Industry SMEs belong and type of businesses account prepared for SMEs based on IFRS for SMEs. The result was presented on Table 1.

Table 1: Respondents Demographic Characteristics

Variable	Frequency	Percentage
Gender		
Male	186	80.9
Female	44	19.1
Highest Qualification		
Higher National Diploma	3	1.3
Bachelor's Degree	67	29.1
Master's Degree	143	62.2
Doctorate Degree	17	7.4
Membership of Professional Body		
Institute of Chartered Accountants (Ghana)	80	34.8
Association of Chartered Certified Accountants	91	39.6
Chartered Institute of Management Accountants	59	25.6
Type of Membership		
Qualified member	230	100

Table 1 Continued

If you are a qualified member, do you work in an Audit Firm		
Yes	224	97.4
No	6	2.6
If yes, what is your position in the Audit Firm		
Partner	75	32.6
Senior manager	106	46.1
Associate	49	21.3
Number of years working for an Audit Firm		
Less than 5 years	99	43.0
6-10 years	57	24.8
11-15 years	48	20.9
16 years and above	26	11.3
Categories the Audit Firm Belong		
Category A1	26	11.3
Category A	39	17.0
Category B1	50	21.7
Category B	54	23.5
Category C	23	10.0
Category D	38	16.5
Have your firm prepared financial statement for SMEs based on IFRS for SMEs		
Yes	194	84.3
No	36	15.7
If yes, how many SMEs have you prepared		
1-5	80	34.8
6-10	28	12.2
11-15	47	20.4
16 and above	75	32.6
Type of Industry SMEs Belong		
Finance	20	8.7
Insurance	35	15.2
Manufacturing	65	28.3
Trading	30	13.0
Agric/ Agro processing	25	10.9
Pharmaceutical	32	13.9
Beverages	23	10.0
Type of businesses members prepared an account for based on IFRS for SMEs		
Private limited liability	120	52.2
Public limited liability	75	36.6
Partnership	25	10.9
Sole- proprietorship	10	4.3

Source: Field Work (2023)

As presented in Table 1, it can be indicated that 80.9% of respondents signify males and 19.1% represent females hence, it can be confirmed that the males are more than the females in this study. Research items on respondents' highest qualification also show that respondents who hold High National Diploma had 1.3%, Bachelor's Degree records 29.1%, Masters' Degree represent 62.2% and Doctorate Degree represent 7.4%.

Result on membership of professional body indicates that 34.8% of the respondents are members of Institute of Chartered Accountants (Ghana), Association of Chartered Certified Accountants embodies 39.8% and Chartered Institute of Management Accountants denotes 25.6%. Besides, the result shows that all the respondents are qualified members with a sore of 100%. Furthermore, 97.4% of the qualified members work in an audit firm while 2.6% do not work in an audit firm. Equally, the items measuring the number years respondents are working for an audit firm indicates that 43.0% represent less than 5 years, 6– 10 years denote 24.8%, 11 –15 years represent 20.9% and 16 years and above records 11.3%.

Additionally, the category of audit firm members belong also shows that 11.3% of members belong to Category A1, Category A 17.0%, Category B1 21.7%, Category B 23.5%, Category C 10.0% and Category D represent 16.5%. Further, majority of the qualified members agreed that they prepare financial statement for SMEs based on IFRS for SMEs with 84.3% score while 15.7% do not prepare financial statement for SMEs based on IFRS for SMEs. Result on the number of SMEs members have prepared financial statement for SMEs based on IFRS for SMEs indicates that 43.0% represent 1–5 SMEs denote 34.8%, 6–10 SMEs represent 12.2%, 11-15 SMEs signify 20.4% and 16 SMEs and above records 32.6%.

33

Findings on the type of industry SMEs belongs specify that 8.7% SMEs belongs to Finance, Insurance specify 15.2%, Manufacturing records 28.3%, Trading had 13.0%, Agric/ Agro Processing records 10.9%, Pharmaceutical represent 13.9% and Beverage indicate 10.0%. Finally, the type of businesses has members prepared an account for based on IFRS for SMEs mean that, they mostly prepare account for based on IFRS for Private limited liability with a score of 84.8% followed by Public limited liability 32.6%, Partnership 10.9% and Sole-proprietorship 4.3% respectively (See Table 1).

Reliability of the Instrument

Cronbach Alpha (1964) was used to test for reliability of the research instrument. As a result, an overall Cronbach Alpha (α) = .910 was realised. Bryman and Bell (2011), recommend Alpha $\geq$.7 to demonstrate adequate reliability. Table 2 therefore confirms that all the constructs met the threshold of 7.0.

Table 2: Cronbach Alpha Values for the Variables

Variable	Alpha value
Factors influencing the implementation of IFRS for SMEs	.910
extent of the implementation of the IFRS for SMEs	.863
Challenges associated with the implementation of IFRS for SMEs	.809

Source: Field work (2023)

Evaluating the Research Questions

This study seeks to assess the implementation of IFRS for SMEs. The researcher argued that IFRS implementation is not a new phenomenon in Ghana, but, it is still in its introductory phase compared to the advanced nations.

34

The researcher however, debate that this could be due to the difficulties associated with the factors that influence the IFRS for SME implementation that stems from weak leadership. Also, the inability to recognise the exact IFRS factors that could meet SMEs needs requires further research on the implementation IFRS for SMEs. According to Fritzsche and Oz (2007), evaluating research questions can start once a correct measurement has been designed. SPSS version 21 was used to analyse the study data. Descriptive analysis such as means and standard deviation was used.

Factors influencing the implementation of IFRS for SMEs in Ghana

The descriptive summary and analysis for the factors influencing the implementation of IFRS for SMEs in Ghana were determined by using means and standard deviation is shown in table 3 below.

Table 3: The Factors Influencing the Implementation of IFRS for SMEs in Ghana

	N	Mean	Std. Deviation
IFRS for SMEs improve the opportunities to obtain financial assistance from financial institutions.	230	4.98	.495
IFRS for SMEs improve the efficiency of SMEs financial reporting	230	4.89	.492
IFRS for SMEs improve the effectiveness of SMEs financial reporting	230	4.80	.401
IFRS for SMEs increase supplier confidence	230	4.73	.469

35

Table 3 Continued

IFRS for SMEs improves the quality of financial decisions made by SMEs	230	4.62	.448
IFRS for SMEs enhance SMEs transparency	230	4.57	.407

Source: Field Work (2023)

The first objective determined factors influencing the implementation of IFRS for SMEs in Ghana. From Table 3, it can be seen that, among the items measuring the factors influencing the implementation of IFRS for SMEs in Ghana, IFRS for SMEs improve opportunities to obtain financial assistance from financial institutions had the highest mean (M=4.98; SD=0.495). This means that major of the respondents are of the view that the implementation of IFRS for SMEs is driven by their ability to access financial assistance from financial institutions. It is also established from Table 3 that IFRS for SMEs improve the efficiency of SMEs financial reporting (M=4.89; SD=0.492). This also means that IFRS implementation for SMEs may enable them to meet the standard way of reporting their financial statements. Additionally, IFRS for SMEs improve the effectiveness of SMEs financial reporting had (M=4.80; SD=0.401). Also, the item that IFRS for SMEs increase supplier confidence scored (M=4.73, SD=0.469), IFRS for SMEs improves the quality of financial decisions made by SMEs found (M=4.62, SD=0.448), and IFRS for SMEs enhance SMEs transparency (M=4.57, SD=0.407).

The finding of the lends support to theoretical and empirical evidence on factors that influence IFRS implementation among SMEs, auditors and accountants in accounting related literature (Alia & Branson, 2011; Muniandy & Ali, 2012; Cardona, 2014; Almujamed, Tahat, Omran & Dunne, 2017) that the legal system of a country and the need for effective SMEs financial reporting

36

could influence SMEs IFRS implementation. The scholars stressed that a country that has effective legal framework in place can influence SMEs, partners, auditors and accountants IFRS implementation. Similarly, the study results resonate with Tanaka's (2013) research finding that a common law in relation to IFRS that is implemented may affect SMEs IFRS implementation.

One of the reasons why SMEs, partners and audit firm implement IFRS for SMEs is to enhance SMEs transparency in their financial reporting (Doupnik & Perera 2012). Doupnik and Perera (2012) advanced that countries with business act with laid down rules for SMEs financial reporting have the propensity to influence their implementation of IFRS. Tapang, Bessong and Effiong (2012) opined that IFRS implementation for SMEs is statistically influenced by cultural dimensions and financial assistance from financial institutions. In the same domain, Qawqzeh, Endut, and Rashid (2020) are of the view that that IFRS implementation for SMEs can influenced by the ownership of business such as sole proprietorships, partnerships, unlimited liability, strategic alliances among others.

These findings link positively with some scholars in the accounting domain that IFRS implementation for SMEs is impacted by the level of education of SMEs accountants, managers and auditors (Judge & Pinsker, 2010; Kossentini & Othman, 2014). Choi and Meek (2008), Archambault and Archambault (2009) and Shima and Yang (2012) also reiterate that education level and expertise of SMEs accountants, auditors and owners is one of the indicators of IFRS implementation for SMEs. Also, the study finding confirm the prior submission of some scholars (Mawutor, Williams & Oduwaa, 2019; Sadaka, 2022; Sassi & Damak-Ayadi, 2022) that SMEs, accountants and auditors' decision to implement the IFRS is to improve SMEs chances to obtain

37

financial assistance from financial institutions, improve the effectiveness of SMEs financial reporting, increase supplier confidence and improves the quality of financial decisions made by SMEs.

It has been advanced that pressure from regulatory bodies including International Accounting Standard Board (IASB), International Monetary Fund (IMF) and World Bank could push SMEs and other companies to seek for IFRS implementation (DiMaggio & Powell, 1983; Al-Akra et al. 2009). However, Kaya and Koch (2015) argued that pressure from regulatory bodies alone cannot influence SMEs' decision to implement the IFRS. Moreover, SMEs decision to implement the IFRS may be driven by the imitation from other companies using the IFRS. In contrast to the findings, Damak-Ayadi et al. (2020) in their study argued that pressure from other multinational corporation use of the IFRS may not always influence SMEs to implement the IFRS. Certain scholarly works (Cooke & Wallace, 1990; Nobes et al., 2008) have expressed the view that variables like the quality of law enforcement, cultural dynamics, prevailing economic conditions, political framework and taxation systems hold influence over the choices made by SMEs, accountants and auditors when it comes to adopting the IFRS.

The extents of implementation of IFRS for SMEs in Ghana

The descriptive summary and analysis for the extent of implementation of IFRS for SMEs in Ghana were determined by using means and standard deviation is shown in table 4 below.

Table 4: The Extents of Implementation of IFRS for SMEs in Ghana

	N	Mean	Std. Deviation
Small and Medium-sized Entities	230	4.80	.494
Concepts and Pervasive Principles	230	4.82	.493
Financial Statement Presentation	230	4.73	.505
Statement of financial position	230	4.65	.496
Statement of Comprehensive Income and Income Statement	230	4.54	.484
Statement of Changes in Equity and Statement of Income and Retained Earnings	230	4.50	.470
Statement of Cash flow	230	4.47	.443
Notes to the Financial Statements	230	4.42	.436
Consolidated and Separate Financial Statements	230	4.39	.432
Accounting Policies, Estimates and Errors	230	4.35	.467
Basic Financial Instruments	230	4.32	.458
Other Financial Instrument Issues	230	4.30	.454
Inventories	230	4.28	.497
Investments in Associates	230	4.25	.487
Investments in Joint Ventures	230	4.24	.471
Investment Property	230	4.20	.451
Property, Plant and Equipment	230	4.17	.447
Intangible Assets other than Goodwill	230	4.00	.443
Business Combinations and Goodwill	230	3.52	.436
Leases	230	3.50	.432
Provisions and Contingencies	230	3.45	.494
Liabilities and Equity	230	3.40	.491
Revenue	230	3.36	.506
Government Grants	230	3.30	.342
Borrowing Costs	230	3.23	.469
Share-Based Payment	230	3.21	.189
Impairment Of Assets	230	3.15	.667
Employee Benefits	230	3.10	.344
Income Tax	230	3.06	.218
Foreign Currency Translation	230	3.04	.236
Hyperinflation	230	3.01	.358
Events After the End Of Reporting Period	230	2.99	.287
Related Party Disclosures	230	2.70	.611
Specialized Activities	230	2.56	.291
Transition to the IFRS for SMEs	230	2.49	.246

Source: Field Work (2023)

The second objective identified the frequency of implementation of IFRS for SMEs in Ghana. From Table 4, it can be clearly seen that small and medium-sized entities recorded (M=4.80; SD=0.494), concepts and pervasive principles had (M=4.82; SD=0.493), financial statement presentation (M=4.63; SD=0.503), statement of financial position indicate (M=4.60, SD=0.496), statement of comprehensive income and income statement (M=4.53, SD=0.484), statement of changes in equity and statement of income and retained earnings (M=4.50, SD=0.470), statement of cash flow (M=4.47, SD=0.443), notes to financial statements (M=4.42, SD=0.436), consolidated and separate financial statements (M=4.47, SD=0.443), accounting policies, estimates and errors (M=4.39, SD=0.432), basic financial instruments (M=4.32, SD=0.458), other financial instrument issues (M=4.30, SD=0.454), inventories (M=4.28, SD=0.497), investments in associates (M=4.25, SD=0.487), investments in joint ventures (M=4.24, SD=0.471), investment property (M=4.20, SD=0.451), property, plant and equipment (M=4.17, SD=0.447), intangible assets other than goodwill (M=4.00, SD=0.443), business combinations and goodwill (M=3.52, SD=0.436), leases (M=3.50, SD=0.432), provisions and contingencies (M=3.45, SD=0.494), liabilities and equity (M=3.40, SD=0.491), revenue (M=3.36, SD=0.443), government grants (M=3.30, SD=0.342), borrowing costs (M=3.23, SD=0.469), share-based payment (M=3.21, SD=0.189), impairment of assets (M=3.15, SD=0.667), employee benefits (M=3.10, SD=0.344), income tax (M=3.06, SD=0.218), foreign currency translation (M=3.04, SD=0.236), hyperinflation (M=3.01, SD=0.358), events after the end of reporting period (M=2.99, SD=0.287), related party disclosures (M=2.70, SD=0.611), specialized activities (M=2.56, SD=0.291) and transition to the IFRS For SMEs (M=2.49, SD=0.246).

40

Moreover, the study findings are consistent with some research result (Durguti & Arifi, 2021; Lukason & Camacho-Miñano, 2021; Nurunnabi, 2021) that IFRS implementation is frequently done for the presentation of financial reporting for SMEs. According to Jafari (1994) and Hail and Leuz (2009), the implementation of IFRS is a vital channel that enable accountants, auditors and partners to present statement employee benefits, income tax and other financial instrument issues for SMEs on regular basis. Other stream of investigations on the extant study (Sadaka, 2022; Sassi & Damak-Ayadi, 2022) averred that IFRS implementation are normally done to prepare statement of cash flow, related party disclosures, specialised activities, inventories and consolidated and separate financial statements for SMEs to attain their long-term financial growth and stability in the competitive business environment.

Also, the findings are line with the idea that IFRS implementations are regularly done for small and medium-sized entities for their preparation of account reconciliation, payment schedules, payment reminders, reporting and analytics (Aboagye-Otchere & Agbeibor, 2012; Boateng, Arhin & Afful, 2014; Modibbo et al., 2015). Largely, IFRS implementations are done regularly by accountants and auditors to present financial statement, statement of financial position, statement of comprehensive income, statement employee benefits, income tax, statement of cash flow, inventories, specialised activities, consolidated and separate financial statements and other financial instrument for SMEs issues on a regular basis (Abakah, 2017; Dhliwayo, 2017; Musah, Anokye & Gakpetor, 2018).

41

Challenges Associated with the implementation of IFRS for SMEs in Ghana

The descriptive summary and analysis for the challenges associated with the implementation of IFRS for SMEs in Ghana were determined by using means and standard deviation is shown in table 5 below.

Table 5: The Challenges Associated with the Implementation of IFRS for SMEs in Ghana

	N	Mean	Std. Deviation
The costs of complying with the IFRS for SME are far greater than the corresponding benefits	230	4.70	.479
IFRS for SME in general are not easy to understand	230	4.50	.439
IFRS for SME contain expressions that are lacking clarity	230	4.45	.507
The information required to apply IFRS for SME is not available or available with only undue cost or effort	230	4.42	.434
The need to exercise professional judgment is excessive in IFRS for SME	230	4.35	.428
IFRS for SMEs do not provide adequate guidance to assist accountants in interpreting and applying this standard.	230	4.31	.478
Some terms in IFRS for SME are used inconsistently.	230	4.29	.471

Source: Field Work (2023)

Again, the third objective identified the challenges associated with the implementation of IFRS for SMEs in Ghana. Therefore, from Table 5, among the research items measuring the challenges connected with implementation of IFRS for SMEs in Ghana, the costs of complying with the IFRS for SME are far greater than the corresponding benefits had the highest mean with standard deviation scores (M=4.70; SD=0.479). The implication is that implementing IFRS for SMEs involves more cost than the benefit SMEs could get. Likewise, IFRS for SME in general are not easy to understand scored the next highest responses (M=4.50; SD=0.439). Besides, IFRS for SME contain expressions

that are lacking clarity had (M=4.45; SD=0.507). Furthermore, the item that the information required to apply IFRS for SME is not available or available with only undue cost or effort had (M=4.42, SD=0.434), the need to exercise professional judgment is excessive in IFRS for SMEs (M=4-35, SD=0.428), IFRS for SMEs do not provide adequate guidance to assist accountants in interpreting and applying this standard (M=4.29, SD=0.478) and some terms in IFRS for SME are used inconsistently (M=4-33, SD=0.471).

Furthermore, consistent with existing IFRS implementation for SMEs literature, there are many challenges association with its implementation (Meirelles, 2012; Brown et al., 2014; Riva & Salotti, 2015; De Moura & Gupta, 2019). Moreover, Le Thia et al. (2019) state that IFRS implementation for SMEs involves high cost and complex disclosure of information. Tesfu (2012) professed that IFRS implementation for SMEs is characterized with high cost, complexity of IFRS and lack of proper blueprint from regulatory bodies for IFRS implementation. The discovery aligns with the assertion made by Phan and Mascitelli (2014) that challenges in IFRS implementation encompass the expenses involved in educating financial and managerial personnel coupled with insufficient guidance and untimely translations.

Similarly, Rudzani and Charles (2016) argued that SMEs implementation of IFRS faces a dearth of skilled personnel, technical know-how and access to technologies for effective execution. Arhin et al. (2017) also highlighted deficiencies in essential skills and insufficient support from regulatory bodies and professional organizations in the context of IFRS implementation in Kumasi. Mbawuni (2018) proposed that the recurrent changes to IFRS pose a substantial challenge, causing ongoing amendments to existing accounting procedures of SMEs to align with IFRS requirements.

43

The findings corroborate the empirical conclusions of Abraham and Adeiza (2020), who emphasized that the effectiveness of Continuous Professional Development Programs (CPDP) is hampered by their impact on IFRS implementation for SMEs. Furthermore, the study agrees with existing arguments that IFRS for SMEs is intricate to comprehend (Alemi & Pasricha, 2016; Bahadır, Demir & Öncel, 2016) due to unclear expressions (Mbawuni, 2018) and complex vocabulary (Owolabi & Iyoha, 2012; Miao, 2017) used in the framework. Moreover, the research aligns well with the perspective that the demand for extensive disclosure in IFRS implementation for SMEs is excessive in terms of volume, nature, and complexity (Odia & Ogiedu, 2013; Zakari, 2014), and acquiring the necessary information for IFRS application within SMEs often entails undue cost and effort (Odo, 2018). Also, it supports the argument that the need for substantial professional judgment is prominent in IFRS for SMEs, and the expenses associated with complying with IFRS for SMEs outweigh the corresponding benefits (Riva & Salotti, 2015).

Chapter Summary

The chapter presented on the test results of the data collected for the study. The chapter also presents results on the factors influencing the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges linked with the implementation of IFRS for SMEs in Ghana. The findings were presented with discussions

44

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter concludes the study and makes vital recommendations for auditors, accountants, SMEs owners or partners as well as for future research works in the above subject matter.

Summary of the Study

The study assessed the factors influencing the implementation of IFRS for SMEs; the extent of the implementation of the IFRS for SMEs and the challenges linked with the implementation of IFRS for SMEs in Ghana. The applicable literature and research questions have been reviewed that regard. Two hundred and thirty (230) SMEs partners have been selected to participate in the research through convenience sampling with questionnaire as its main data gathering tool. The study also employed explanatory research design. Moreover, the study used SPSS version 21 to analyse the data collected. The institutional theory and planned behavior theory have been reviewed.

Summary of Key Findings

Factors influencing the implementation of IFRS for SMEs in Ghana

The first objective was to determine the factors influencing the implementation of IFRS for SMEs in Ghana. The study revealed that IFRS for SMEs enable SMEs to obtain financial assistance from financial institutions, advance the efficiency of SMEs financial reporting, improve the effectiveness of SMEs financial reporting, increase supplier confidence, increases the quality of financial decisions made by SMEs and enhance SMEs transparency.

45

The frequency or extent of the implementation of IFRS for SMEs

The secondary aim of this study is to assess the frequency or extent of the implementation of IFRS for SMEs in Ghana. The findings of the research divulged that competent professionals consistently apply IFRS principles for SMEs on financial statement presentation, statement of financial position, comprehensive income and income statement, changes in equity and income statement, cash flow statement, consolidated and separate financial statements, accounting policies, estimations and error corrections.

The challenges associated with IFRS implementation for SMEs

The third objective was to ascertain the challenges associated with the implementation of IFRS for SMEs in Ghana. The study documented that there are many challenges associated with the implementation of IFRS for SMEs in Ghana. These include huge compliance cost, difficult to understand, contain expressions that lacks clarity, requires more information to apply for, need excessive professional judgment, inability to provide adequate guidance to assist accountants in interpreting and applying this standard.

Conclusions

The research focused on evaluating the application of IFRS for SMEs in Ghana. Indeed, the study ascertained factors influencing the implementation of IFRS for SMEs; identified the extent of implementation of IFRS for SMEs and examined the challenges associated with the implementation of IFRS for SMEs in Ghana. Primary data was sourced through questionnaire administered to 230 firms licensed from the Institute of Chartered Accountants, Ghana. Statistical Package for the Social Science (SPSS) version 21 was used to analyze the study data. The study employed explanatory research design. The findings brought to

46

light intriguing insights into the determinants affecting the adoption of IFRS for SMEs in the country. The study indicated that the implementation of IFRS for SMEs can facilitate SMEs in accessing financial support from institutional sources, enhancing the efficiency and effectiveness of their financial reporting practices, among other advantages. However, it was recognized that not all of the aforementioned factors equally impact the implementation of IFRS for SMEs.

Moreover, the study highlighted that auditors commonly implement IFRS for small and medium-sized entities, encompassing key principles and fundamental concepts. This encompassed area such as financial statement presentation, statement of financial position, statement of comprehensive income, and income statement, among others. Again, the research outcomes underscored the challenges linked to the implementation of IFRS for SMEs in Ghana. Lastly, the finding of this study makes very important contributions to the IFRS for SMEs-related literature. Specifically, the study advances the institutional theory view that the survival of firms including SMEs in their business environment hinges on aligning their activities with established financial reporting guidelines, rules, processes and belief systems prevalent in that environment.

Recommendations

Following the revelation from the study, the study makes important recommendations for auditors, accountants, SMEs owners or partners based on the research objectives or questions.

Firstly, the management of audit firms and regulatory institutions in Ghana should start raising awareness among SME owners, partners, managers and finance teams about the benefits of IFRS implementation. In addition, they

47

should offer regular training workshops, seminars or online resources to educate SMEs owners or partners about the standards, its implications and the reasons for its implementation.

Secondly, the frequency and extent of implementation of IFRS for SMEs in Ghana can vary based on several factors, including the size of the SMEs, the industry it operates in, its existing financial reporting practices and available resources. In this regard, the extent of IFRS implementation for SMEs in Ghana should be tailored to the specific circumstances and needs of each business. Further, a pragmatic and strategic approach taking into account resources, industry requirements and long-term goals should be in place to contribute to a successful implementation journey.

Thirdly, mainly because it has been recognized that there are some challenges associated with the implementation of IFRS for SMEs in Ghana, auditors or audit firms should prioritize educating their finance teams about the benefits and requirements of IFRS. Offering training workshops can help build a strong foundation for successful implementation of IFRS for SMEs. Besides, they should allocate sufficient financial and human resources to support the transition to IFRS. This can include hiring or training personnel who are familiar with IFRS standards and can manage the implementation process effectively.

Suggestions for Further Research

Further study on the implementation of IFRS for SMEs in Ghana should include determine the relationship between the implementation of IFRS and financial performance of SMEs in Ghana.

48

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67
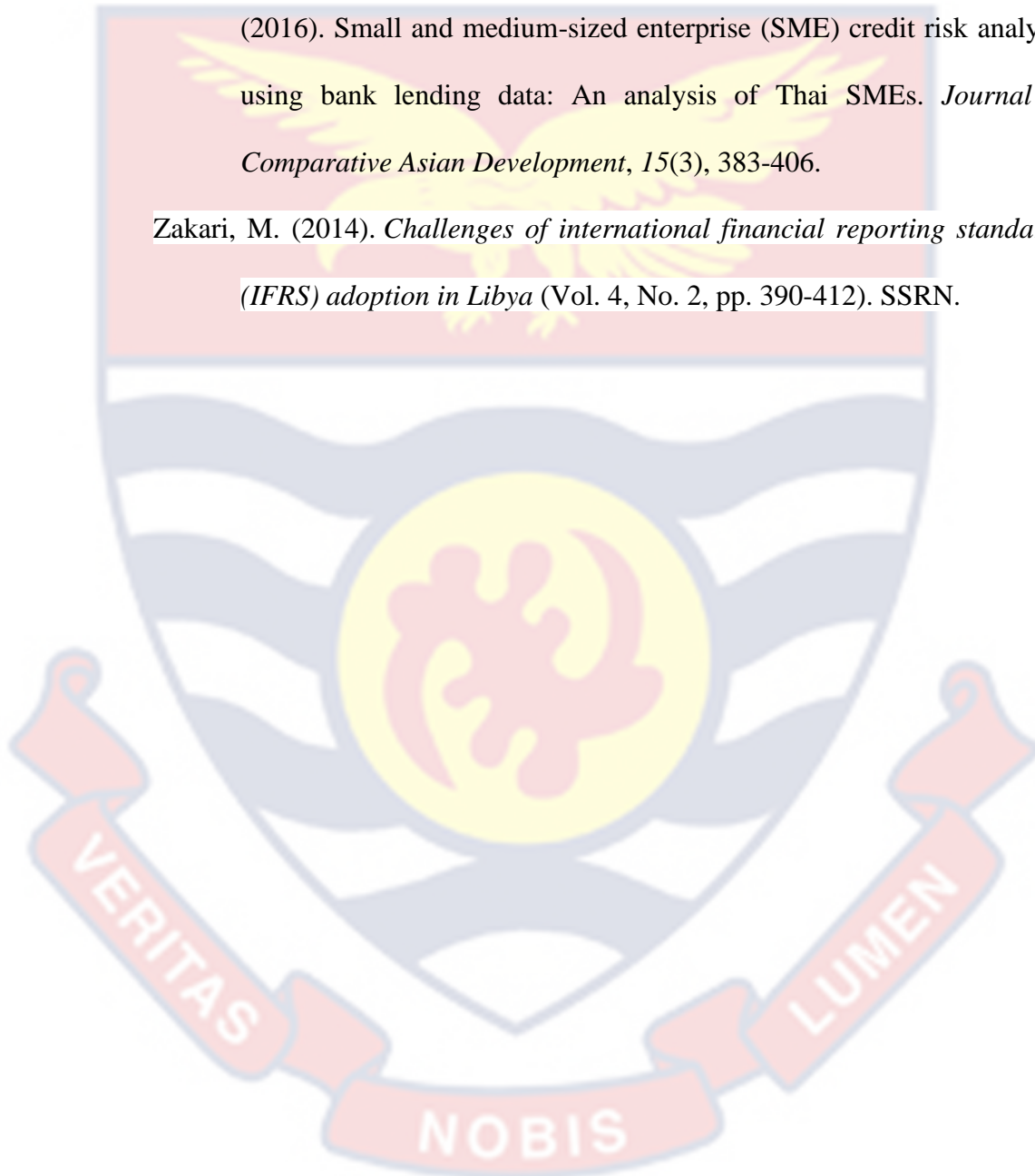
APPENDIX A

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING

QUESTIONNAIRE ON IMPLEMENTATION OF IFRS FOR SMES

Dear Respondent,

I am Esther Awontemi Atombil, currently pursuing a Master of Business Administration (Accounting) degree. As part of my academic requirements to attain the MBA (Accounting) degree, I am conducting a research study on the 'Implementation of International Financial Reporting Standards for Small and Medium Enterprises in Ghana'. I kindly request your participation in responding to the questionnaire. Please rest assured that your answers will remain confidential and will solely be used for academic purposes. Your cooperation is greatly appreciated.

Thank you.

Section A: Demographic Data

Kindly provide the appropriate response and tick [√] the box that correctly describes you.

1. Gender:
    a. Male   [ ]
    b. Female   [ ]

2. What is your highest educational qualification?
    a. Higher National Diploma   [ ]
    b. Bachelor's Degree   [ ]
    c. Master's Degree   [ ]
    d. Doctorate Degree   [ ]

3. Membership of professional body:
    a. Institute of Chartered Accountants (Ghana)   [ ]
    b. Association of Chartered Certified Accountants   [ ]

68

  c. Chartered Institute of Management Accountants   [ ]
  d. Other (please specify)………………..

4. A. Type of Membership:
  i. Qualified member   [ ]
  ii. Student   member   [ ]

B. If you are a qualified member, do you work in an audit firm?
  i. Yes   [ ]
  iii. No   [ ]

C. If yes, what is your position in the audit firm?
  i.   Partner   [ ]
  ii.   Senior manager   [ ]
  iii.   Associate   [ ]
  iv.   Trainee   [ ]

D. Number of years working for an audit firm:
  i.   Less than 5 years   [ ]
  ii.   6- 10 years   [ ]
  iii.   11- 15 years   [ ]
  iv.   16 years and above   [ ]

5. A. If you are a student, what level of professional examination are you?
  i. Level 1   [ ]
  ii. Level 2   [ ]
  iii. Level 3   [ ]
B. Do you work in an audit firm?
  i.   Yes   [ ]
  ii.   No   [ ]
C. If yes, what is your position or role in the audit firm?
  ……………………………………………………………….

D. Number of years working for an audit firm:
i.   Less than 5 years   [ ]
ii.   6- 10 years   [ ]
iii.   11- 15 years   [ ]
iv.   16 years and above

6. Which of the following categories does your audit firm belong?
  i.   Category A1   [ ]
  ii.   Category A   [ ]
  iii.   Category B1   [ ]

iv.   Category B   [ ]
v.   Category C   [ ]
vi.   Category D   [ ]

7. A. Have your firm prepared financial statement for SMEs based on IFRS

    for SMEs?

    i.   Yes   [ ]
    ii.   No   [ ]

B. If yes, how many SMEs have you prepared?

    i.   1- 5   [ ]
    ii.   6- 10   [ ]
    iii.   11- 15   [ ]
    iv.   16 and above   [ ]

8. What type of Industry do the SMEs belong?
    a. Finance   [ ]
    b. Insurance   [ ]
    c.   Manufacturing   [ ]
    d. Trading   [ ]
    e.   Agric/ Agro processing   [ ]
    f. Paper conversion   [ ]
    g.   IT   [ ]
    h. Pharmaceutical   [ ]
    i. Beverages   [ ]
    j. Other please specify……………………………….

9. What type of business ownership have you prepared an account for

    based on IFRS for SMEs?

    a. Private limited liability company   [ ]
    b. Public limited liability company   [ ]
    c. Partnership   [ ]
    d. Sole- proprietorship   [ ]

Section B: Factors Influencing the Implementation International Financial

Reporting Standards (IFRS) for Small and Medium Enterprises (SMEs)

Each of the statements below seeks to examine your perceptions about the factors influencing SMEs International Financial Reporting Standards (IFRS) implementation. Please indicate your level of agreement with each statement by ticking appropriate column: Where 1= Strongly agree 2=Agree 3=Neutral 4= Disagree 5= Strongly Disagree

No.	Items	1	2	3	4	5
1	IFRS for SMEs improve the opportunities to obtain financial assistance from financial institutions.					
2	IFRS for SMEs improve the efficiency of SMEs financial reporting					
3	IFRS for SMEs improve the effectiveness of SMEs financial reporting					
4	IFRS for SMEs increase supplier confidence					
5	IFRS for SMEs improves the quality of financial decisions made by SMEs					
6	IFRS for SMEs enhance SMEs transparency					

Section C: Implementations of International Financial Reporting Standards (IFRS) for Small and Medium Enterprises.

Each of the statements below seeks to determine your opinion on the extent to which you implement the International Financial Reporting Standards (IFRS) for SMEs. Please indicate your level of agreement with each statement by ticking (√) the most appropriate column: Where 1= Very often 2= Often 3= Very Seldom 4= Seldom 5= N/A
.

No.	Standards	1	2	3	4	5
1	Small and Medium-sized Entities					
2	Concepts and Pervasive Principles					
3	Financial Statement Presentation					
4	Statement of financial position					
5	Statement of Comprehensive Income and Income Statement					
6	Statement of Changes in Equity and Statement of Income and Retained Earnings					
7	Statement of Cash flow					
8	Notes to the Financial Statements					
9	Consolidated and Separate Financial Statements					

10	Accounting Policies, Estimates and Errors					
11	Basic Financial Instruments					
12	Other Financial Instrument Issues					
13	Inventories					
14	Investments in Associates					
15	Investments in Joint Ventures					
16	Investment Property					
17	Property, Plant and Equipment					
18	Intangible Assets other than Goodwill					
19	Business Combinations and Goodwill					
20	Leases					
21	Provisions and Contingencies					
22	Liabilities and Equity					
23	Revenue					
24	Government Grants					
25	Borrowing Costs					
26	Share-Based Payment					
27	Impairment Of Assets					
28	Employee Benefits					
29	Income Tax					
30	Foreign Currency Translation					
31	Hyperinflation					
32	Events After The End Of The Reporting Period					
33	Related Party Disclosures					
34	Specialized Activities					
35	Transition to the IFRS for SMEs					

Section D: Challenges Associated with International Financial Reporting Standards for Small and Medium Enterprises Implementation.

Each of the statements below seeks to examine the challenges associated with International Financial Reporting Standards for Small and Medium Enterprises implementation. Please indicate your level of agreement with each statement by ticking (√) the most appropriate column: Where 1= Strongly Agree 2=Agree 3=Neutral 4=Disagree 5= Strongly Disagree

No.	Items	1	2	3	4	5
1	The costs of complying with the IFRS for SME are far greater than the corresponding benefits					
2	IFRS for SME in general are not easy to understand					
3	IFRS for SME contain expressions that are lacking clarity					
4	The information required to apply IFRS for SME is not available or available with only undue cost or effort					
5	The need to exercise professional judgment is excessive in IFRS for SME					
6	IFRS for SMEs do not provide adequate guidance to assist accountants in interpreting and applying this standard.					
7	Some terms in IFRS for SME are used inconsistently.					

THANK YOU FOR YOUR TIME

73