

A LITERATURE REVIEW OF ARTICLES ASSESSING THE EXTENT OF COMPLIANCE WITH IAS 41

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Abstract

The adaptation to new accounting standards has affected many companies. The greatest challenge by the agricultural companies is that International Accounting Standard (IAS) 41 regulates the valuation methods of their biological assets. The paper develops a literature review of the articles assessing the extent to which various agricultural entities are complying with recognition and measurement requirements of IAS 41-Agriculture, for their agricultural produce and biological. Therefore, our analysis imposes the use of literature review methodology. After briefly introducing the concept of financial accounting for agriculture and problems of IAS 41, the first part of the paper follows the areas of accounting estimates related to valuation of long-term biological assets according to International Accounting Standards, as well as the challenges that arise when implementing the provisions of the relevant standards. The main part of the paper discusses empirical studies which assess the extent the degree of compliance with IAS 41, by closely analyzing their research design, the employed research methodology and the obtained results. The originality of the paper as well as its contribution consist in offering a comprehensive overview on studies in accounting research literature that analyze the practical challenges of applying IAS 41 before and after the revision of this standard through an empirical approach.

Key words: *agricultural firms, IAS 41, disclosure, compliance, fair value*

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